

Department of Administration & Information: Information Technology Division and Office of Chief Information Officer

Management Audit Committee July 13, 2011

Management Audit Committee

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Recommendation Locator

Chapter Number	Recommendation Number	Recommendation Summary	Page Number	Party Addressed	Agency Response
2	1	The OCIO and ITD, should develop a clear and consistent inventorying process for state executive branch agencies; a comprehensive inventory should be conducted at least once each biennium to help assist in biennial budget preparations and in the development of the Wyoming State Biennial Technology Plan.	40	OCIO & ITD	Agree
3	2	ITD should establish rates at the levels recommended from the CRIS software. If rates need adjustment because of unplanned factors, ITD should document the reasons and update customer agencies accordingly. Updates can be provided during the biennial rate-setting process and throughout the biennium if needed.	50	ITD	Agree
3	3	The Department should work with the State Auditor's Office to discuss possible updates or replacement of existing software to include features fully compatible with the State's accounting system.	55	A&I	Agree
4	4	The OCIO and ITD should work to develop an anonymous survey to agencies with respect to ITD provided services. In addition, other questions related to customer service should be asked as well (e.g. rate setting, purchasing processes, etc.).	69	OCIO & ITD	Agree
5	5	The Governor should reappoint members to the State Telecommunications Council or provide information to the Legislature if there is a reason to modify W.S. 9-2-1026.2.	75	Governor's Office	Under Review
5	6	If the Governor reappoints members to the State Telecommunications Council, the OCIO and ITD should work with	76	OCIO & ITD	Agree

Chapter Number	Recommendation Number	Recommendation Summary	Page Number	Party Addressed	Agency Response
		the new Council to ensure statutory responsibilities of W.S. 9-2-1026.2 are carried out.			
6	7	The OCIO should promulgate rules with respect to the structure and activities of the Governance Model. Rules should clearly articulate the processes involved with its activities.	84	OCIO	Agree
6	8	The OCIO should modify purchasing policy and allow agencies to make IT-related purchases under \$500 without OCIO approval.	84	OCIO	Agree
6	9	The OCIO and the Governor's Office should reevaluate efforts to move Wyoming towards IT consolidation and ensure that efforts are transparent and that agencies are able to provide communication related to the process. In addition, proposals related to statewide consolidation should be supported by sufficient financial and other information via a business case plan.	95	OCIO & Governor's Office	Somewhat Agree
7	10	The OCIO should work with the University of Wyoming, Wyoming Business Council, the Wyoming Technology Business Center, and Department of Workforce Services to develop a plan to reinvigorate earlier efforts by the Legislature to encourage diversification of Wyoming's IT industry and infrastructure. Such a plan should be drafted and presented to the Legislature prior to additional funding.	109	OCIO	Agree

List of Acronyms

Department of Administration & Information: Information Technology Division and OCIO

A-87:	Office of Management and Budget (OMB) Circular A-87 guidelines re: cost principles and procedures for developing cost allocation plans for agreements with the federal government
ANGEL:	Independent Investor Group
CRIS:	Comprehensive Rate Information System
GAAP:	United States Generally Accepted Accounting Principles
IBARS:	Internet Budgeting Analysis and Reporting System
ITCC:	Information Technology Coordinating Committee
ITD:	Information Technology Division.
ITPC:	Information Technology Policy Committee
Model:	Information Technology Governance Model
MSA:	Master Service Agreement Program
OCIO:	Office of Chief Information Officer
ORM:	Office of Risk Management
PSC:	Wyoming Public Service Commission
PSCC:	Public Safety Communications
SALECS:	State Agency Law Enforcement Communications System Criterion Referenced Test
SAO:	Wyoming State Auditor
SBIR:	Small Business Innovations Research

STTR: Small Business Technology Transfer

WBC: Wyoming Business Council

WIN: Wyoming Innovations Network

WOLFS: Wyoming Online Financial System

WTBC: University of Wyoming Technology Business Council

WTO: Wyoming Technology Organization

WTPC: University of Wyoming Technology Policy



Wyoming Legislative Service Office

EXECUTIVE SUMMARY

Department of A & I: Information Technology Division and OCIO

Program Evaluation Section

July 13, 2011

Purpose

The Management Audit Committee requested an audit of the Information Technology Division (ITD) and the Office of the Chief Information Officer (OCIO). In addition, it requested that auditors include information with respect to how other entities such as the University of Wyoming, community colleges, Wyoming Technology Organization, etc., work with the State to create an adequate technology infrastructure. More specifically, to create an infrastructure that will enhance IT expertise and encourage IT job growth and training in Wyoming.

There are two main statutory components related to the development and support of information technology solutions for government agencies, primarily for the Executive Branch: 1) Information Technology Division (ITD) and 2) the State Office of the Chief Information Officer (OCIO). Both of these components are organized within the Wyoming Department of Administration and Information (A&I).

In addition, a non-statutory component exists, which is used to coordinate overall state government information technology management. The IT Governance Model was created by the Chief Information Officer, pursuant to his authority stipulated in W.S. 9-1-222 (a) (ii). The Model relies on the Information Technology Coordinating Committee (ITCC) and the Information Technology Policy Council (ITPC) for

approval of IT related purchases, as well as recommending IT policy for Wyoming.

Background

ITD: W.S. 9-2-1002 (a through d) creates the Department and sets forth provisions for the creation of ITD. Within this framework are five core statutory principles which apply to the Department, and by extension ITD.

- Improve techniques used for management of state government;
- Coordinate, consolidate, and provide services used by multiple agencies;
- Review agency programs, expenditures, and management to identify problems and suggest improvements;
- Promote economy and efficiency in government; and
- Establish uniform standards of administration.

The ITD also conducts its work pursuant to W.S. 9-2-1018. More specifically, it is required to do the following:

- Develop and provide computer and processing services to State government;
- Provide central delivery of services to promote economical and efficient operation of government while maintaining compatibility of hardware and software;
- Provide information, recommendations, and qualified personnel to assist agencies in acquiring and installing computer and

data equipment at the request of the agency;

- Information and recommendations should focus on uniformity of standards, efficiency and effectiveness related to information collection, storage and exchange; and
- Maintain and repair office machines owned by agencies.

Additional services are sometimes provided to local governments and other non-governmental organizations that purchase services through the division.

W.S. 9-2-1026.1 requires ITD to provide various telecommunication services, equipment, software and networks throughout the State. It should be noted however, that W.S. 9-2-1026.2 was amended in 2006 to substitute the CIO for ITD with respect to providing administrative and clerical services to the State Telecommunications Council as well as serving as the Executive Secretary. According to the statute, the Council was created to *“develop goals and plans, both long range and short range, to meet the telecommunication needs of the state and its citizens...”* According to agency officials the Council has not been active since 2007 and there are no current appointments by the Governor.

W.S. 9-2-1104 (a) requires the Public Safety Communications Commission to work with the ITD Administrator in an advisory capacity *“to promote the development, improvement and efficiency of public safety communications systems in the State.”* Unlike W.S. 9-2-1026.2, W.S. 9-2-1104 (a) was not amended to substitute the CIO for ITD with respect to advisory duties.

ITD consists of four service-based functions: 1) technology support; 2) enterprise technology development; 3) technical operations; and 4) technology business services as illustrated in Figure 1.1.

OCIO: The OCIO was created in 2005, pursuant to W.S. 9-1-222. The CIO is required to carry out the following duties:

- *“Develop a biennial information technology plan for the executive branch;”*
- *“Implement and maintain an information technology governance program for the executive branch;”*
- *“Establish review criteria for executive branch information technology projects and major purchases;”*
- *“Develop and implement recommendations for the proper management of executive branch information technology resources;”*
- *“Review and make recommendations to the governor concerning information technology budget requests made by executive branch agencies;”*
- *“Adopt technical information technology policies and standards and ensure agency compliance with the policies and standards;”*
- *“Recommend information technology procurement improvements;”*
- *“Develop and promote information technology training programs for all branches of government;”*
- *“Encourage information technology coordination, information sharing and collaboration among all branches and levels of government in Wyoming;”*
- *“Enhance geographic information systems coordination among all governmental users of geographic information systems;” and*
- *“Carry out the duties prescribed by W.S. 9-2-2501 and 9-2-1026.2(k).”*

It should be noted the judicial and legislative branches, higher learning institutions in Wyoming and the Game & Fish Department are generally exempt from the CIO's authority.

Also, the OCIO acts as a conduit for planning, review and information among the several committees with which it works. This includes ITD and state agency partnerships to assure that the strategic goals and objectives of information technology implementation are met.

In 2010, the legislature passed section 317 to the general appropriations bill which grants the CIO additional authority. For example, Enrolled Act 46 of the 2010 Budget Session (HB 0001) provides the OCIO with authority to approve IT purchases, review and approve IT consolidation initiatives, as well as identify and use cost savings. This authority is granted through BFY 2011.

Also, the provision in the budget bill calls for the creation of an IT savings account where one half of identified savings will revert to the budget savings account and the other half will be deposited in the information technology savings account. To date this account has not been established.

Results in Brief

Chapter 2: The OCIO and ITD do not conduct a complete annual inventory of Executive Branch IT resources including software, hardware, servers, and data centers. Rather, they have attempted to piece together inventory information from isolated efforts throughout the years. As a result, important statutory responsibilities and other processes related to planning, consolidation, and biennial rate setting have occurred without an adequate inventory.

Chapter 3: ITD uses a proprietary computer forecasting model (the Comprehensive Rate Information System – or CRIS model) into which it inputs cost and service utilization data in order to predict rates for each biennium. These rates are used to charge customer agencies monthly for rendered services.

Although ITD uses a federally approved consultant's rate-setting forecast model on which to base its rates, it sometimes varies from recommended rates produced by the model. According to ITD officials, "*rates may have to be adjusted in order to stay competitive and to satisfy policy objectives.*"

Varying from recommended rates may fuel agency perceptions that the rate setting process is somewhat arbitrary. In addition, ITD has recently reduced agency participation in the process, which may increase the perception among customer agencies that its rates are excessive, particularly related to feelings of poor customer service and service quality.

Chapter 4: There is no doubt that Executive Branch agencies, boards, and commissions deal extensively with ITD and the OCIO related to their IT service needs. Of our surveyed entities, 51 or 89% stated they use ITD for these services. Six (6) or 11% stated they do not use ITD.

The confusion however, exists with respect to assuming that because agencies are upset with a few services, there is overall dissatisfaction with provided services. These salient areas include ITD rate setting, the approval process for purchasing IT related services and equipment, and current efforts to move towards consolidation. In addition, it is often difficult to separate satisfaction or dissatisfaction when discussing differences between ITD and the OCIO.

As a result, it is a challenge to determine exactly how agencies and other entities feel overall, because of antagonistic feelings with respect to the aforementioned areas.

It should be noted however, that selected agencies, although dissatisfied with rate setting, purchase approval, and IT consolidation efforts, did show satisfaction with quality and timeliness of technical services, once provided by ITD.

For example, agencies appear to be satisfied or somewhat satisfied with provided services 80% of the time. In addition, agencies that received services stated 75% of those services were provided in a timely or somewhat timely manner.

Chapter 5: The State Telecommunications Council has not met since December 2006. From what we understand, the last annual report was submitted in January 2007.

From documents we received from the OCIO and the ITD, we identified four Council members that had terms expire in March 2009, however the OCIO and ITD noted that since the Council did not have a quorum of members to conduct business, the Council ceased meeting in 2007. Since then, new members have not been appointed by the Governor's Office, according to ITD and OCIO officials.

As a result of the Council not meeting since 2006, statutory provisions related to long and short range planning related to statewide telecommunications has not occurred since 2006. This has caused a lack of defined direction or strategy from a policy and advisory council for the State to follow related to telecommunications services and infrastructure improvements.

Chapter 6: The IT Governance Model (Model) was created by the CIO, pursuant to his authority stipulated in W.S. 9-1-222 (a) (ii). However, the structure of the Model, as well as its responsibilities and duties are not clearly defined in statute or in OCIO rules. As a result, agencies often believe the Model is being used in a non-transparent manner with respect to statewide consolidation, approval of IT related purchases, and policy direction.

An interesting aspect with respect to the Model is that it is often vilified by state agencies because of concern about statewide consolidation efforts, the OCIO's authority to review agency IT purchases, as well as rate setting. These concerns are actually separate from the hypothetical construct of how the Model is designed to work. The Model, as described in the Background section of this report, is actually logically thought out and provides an appropriate mechanism for IT planning and policymaking in Wyoming.

The problem however, is how the Model, which is fundamentally sound, currently functions and interacts with Executive Branch agencies, boards, and commissions. The actual mechanics of the Model appear to provide a tremendous amount of angst, stress, and uncertainty among agencies and other entities.

Serious discussions relating to current IT consolidation efforts started in October, 2009 with combined planning and interaction between IBM, the OCIO, and numerous state agencies. These entities worked together in a positive and productive manner to identify shared and support services needed to move Wyoming towards consolidated IT services.

However, after the OCIO received formal authority to move forward with consolidation

efforts in 2010, the goodwill and positive movement established during the earlier workshop essentially ceased. Primarily, agencies believed that consolidation efforts were not transparent, and their earlier concerns related to “*agencies giving up control*” were not appropriately addressed throughout the process.

More specifically, agencies questioning the draft consolidation reports in July and October of 2010 were not convinced that the reports adequately supported a move towards consolidation. In addition agencies feel that their opinions and concerns were ignored or acknowledged and then disregarded.

Chapter 7: Wyoming, like every state in the United States, is interested in economic growth. One of the strategies to achieve economic growth is to provide an attractive educational and professional IT infrastructure for its residents. To reach that goal, the state will not only be able to provide adequate academic programs for budding IT students, but will also have to bring key players together to provide those students with stable and challenging professional opportunity.

Wyoming has done a good job with providing the adequate academic foundation for this type of growth, but still needs to improve and coordinate efforts to diversify its economy. More specifically, it has struggled with retaining students once they graduate from college.

Chapter 8: Though IT consolidation, centralization, shared services, or other like initiatives appear to be dominating (or heavily influencing) state governments’ IT service provision, there are additional areas where other states’ experiences and practices can be reviewed to assist Wyoming.

During our audit, we reviewed various states’ IT administrative practices to identify innovative approaches that may be beneficial for Wyoming to study.

After preliminary review of documents and information from each state, we narrowed our review down to Alaska, South Dakota, Montana, North Dakota, and Vermont. Of these final five states, three (Alaska, Montana, and North Dakota) formally replied to our information request.

In all, each state has its own customs and network of stakeholders. But it would be wise for the ITD and the OCIO to more fully investigate other states’ lessons learned in a variety of areas discussed throughout our audit. This will help prepare these experts and those involved in system-level governance to provide options to its customer base and state elected leaders re: how best to improve the system and to gain stakeholder buy-in over the long term.

Principal Findings

There are seven significant finding areas and related recommendations discussed in more detail in the report:

1. Lack of Annual IT Inventories for the Executive Branch (Chapter 2);
2. Rate Setting Process Established but Lack of Consistency with Establishing Revenue Codes (Chapter 3);
3. Mixed Reviews on Customer Service and Satisfaction (Chapter 4);
4. Disbanded Telecommunications Council (Chapter 5);
5. Governance Structure and Consolidation Efforts Draw Agency Criticism (Chapter 6);
6. Statewide Coordination Challenged (Chapter 7); and

7. Other States (Chapter 8).

Agency Comments

With the exception of Recommendation #9, the agency(s) agree with all applicable recommendations. For Recommendation #9, the agency partially agrees and will complete “a plan of action with cost/benefit analysis” once a full consensus is developed and presented.

The Governor’s Office is in the process of reviewing the Telecommunications Council appointments in conjunction with broadband initiatives and pending federal legislation.

Copies of the full report are available from the Wyoming Legislative Service Office. If you would like to receive the full report, please fill out the enclosed response card or phone 307-777-7881. The report is also available on the Wyoming Legislature’s website at <http://legisweb.state.wy.us>

INTRODUCTION

Objective, Scope, and Methodology

Introduction

The Management Audit Committee requested an audit of the Information Technology Division (ITD) and the Office of the Chief Information Officer (OCIO). In addition, it requested that auditors include information with respect to how other entities such as the University of Wyoming, community colleges, Wyoming Technology Organization, etc., work with the State to create an adequate technology infrastructure. More specifically, an infrastructure that will enhance IT expertise and encourage IT job growth and training in Wyoming.

There are two main statutory components related to the development and support of information technology solutions for government agencies, primarily for the state executive branch: 1) Information Technology Division (ITD) and 2) the State Office of the Chief Information Officer (OCIO). Both of these components are organized within the Wyoming Department of Administration and Information (A&I).

In addition, a non-statutory component exists, which is used to coordinate overall state government information technology management. The IT Governance Model was created by the Chief Information Officer, pursuant to his authority stipulated in W.S. 9-1-222 (a) (ii). The Model relies on the Information Technology Coordinating Committee (ITCC) and the Information Technology Policy Council (ITPC) for providing recommendations to the OCIO on IT related purchases and IT policy for Wyoming.

The ITPC *“provides advice and counsel to the OCIO and the Governor in setting the general direction and application of IT resources within the Executive Branch of state government.”* The ITCC *“participates in the recommendation and implementation of IT policy and direction, provides a forum for cooperative effort and information exchange, promotes the*

effective and efficient use of state IT resources, and acts as a primary technical advisor to the OCIO and the ITPC.”

Legislative Concern(s) The Committee’s request was based on concerns that ITD and the OCIO are not meeting the customer service needs of Wyoming Executive Branch agencies, as well as effectively coordinating shared services across Wyoming. The Committee was also concerned whether IT resources across the State are doing enough to facilitate an environment in which IT education, skills, and potential for IT related jobs thrived as further incentive for economic development.

Objective

W.S. 28-8-107(b) authorizes the Legislative Service Office to conduct program evaluations, performance audits, and analyses of policy alternatives. Generally, the purpose of such research is to provide a base of knowledge from which policymakers can make informed decisions.

On May 26, 2010, the Management Audit Committee directed staff to conduct an audit of the IT Division within the Department of Administration and Information (A&I). In addition, the Office of Chief Information Officer (OCIO) was included in the scope of the audit, since it sets the policy direction for IT integration across Executive Branch agencies.

More specifically, the report addresses the following questions:

- 1) What is the current status and feasibility of continuing existing IT programs in use by State agencies? More specifically:
 - a) What are the major IT programs in use currently?
 - b) How long have the IT programs been in use?
 - c) How do the programs fit with statewide planning initiatives?
- 2) Given what appears to be inconsistency in some of the statutes with respect to ITD and the OCIO, should enabling legislation occur to formalize what is now occurring within the IT Governance Model, including the roles given to the

- Information Technology Coordinating Committee and the Information Technology Policy Council?
- 3) What is the reason(s) that the State Telecommunications Council created pursuant to W.S. 9-2-1026.2 is not currently operating?
 - 4) Is the current IT Governance Structure, designed in a manner to facilitate moving the State towards IT integration? Also, does the current structure, operational processes, and organizational placement of the ITD, allow for realization of this effort?
 - 5) Given the information system audits presented on February 12, 2009 and December 11, 2009, what is the OCIO doing to promote mitigation of current IT security and environmental risks?
 - 6) What improvements need to be made to current operations (e.g. products, services, billing, customer service, and personnel) within ITD to facilitate the Wyoming State Biennial Technology Plan?
 - 7) How do current ITD customer service practices provide assurance of adequate and timely customer service to agencies that bring forward issues or problems concerning ITD products and services?
 - 8) Is the ITD/OCIO rate setting and billing practices sufficient to assure that State agencies are obtaining cost-effective services from the Division?
 - 9) How will the study committee created during the 2010 legislative session, move forward with its study with respect to commenting on the IT Governance Structure?
 - 10) How will the OCIO and ITD determine and expend funds from the newly created information technology account, also created during the 2010 legislative session?
 - 11) Are state resources being used effectively to facilitate an environment in which IT education, skills, and potential for IT related jobs thrive as further incentive for economic development?

Scope and Methodology

This audit was conducted according to statutory requirements and professional standards and methods for governmental audits. The research was performed from June 2010 through April

2011. The general time frame for which we included information for this report is BFY 2005 through BFY 2011 (unless otherwise noted).

Our research methods included:

Interviews

- 1) Interviewed programmatic and accounting officials from the Office of Chief Information Officer and the Information Technology Division.
- 2) Interviewed ITD officials about the cost negotiator from the Department of Health and Human Services related to OMB Circular A-87 oversight.
- 3) Interviewed ITD officials about Maximus Consulting Services, Inc. with respect to the rate setting model and the Comprehensive Rate Information Setting (CRIS) software.
- 4) Interviewed officials from the University of Wyoming: Technology Planning Council; College of Engineering and Applied Science (Computer Science Program); and the Wyoming Business Technology Center.
- 5) Interviewed officials from the Wyoming Business Council.
- 6) Interviewed officials from the Wyoming Department of Workforce Services.
- 7) Interviewed past officials from the Wyoming Technology Organization.
- 8) Interviewed various state agency officials with relevant information pertaining to customer service, security, policy and financial issues.

Survey Instrument

- 9) Developed a *Confidential Survey* sent to Wyoming agencies, boards, and commissions, as well as elected officers. Sixty-one (61) surveys were sent out with a response rate of 93% (57 returned surveys). It should be noted that the 57 survey responses came from 55 agencies; six agencies (10%) did not respond.

Research and Analysis

- 10) Reviewed data generated by ITD related to its customer service surveys (HEAT).

- 11) Reviewed Information Technology (IT) Transformation and Consolidation Committee Report (Phase I) released July 1, 2010.
- 12) Reviewed Information Technology (IT) Transformation and Consolidation Committee Report (Final) released October 1, 2010.
- 13) Reviewed various documents, surveys, financial data, and Governance Model committee minutes, related to Wyoming IT consolidation efforts.
- 14) Reviewed professional publications and literature from Gartner, Inc. dealing with consolidation issues within the IT industry.
- 15) Reviewed Wyoming Revised Statutes (Title 9) and related session laws re: ITD and OCIO statutory responsibilities.
- 16) Reviewed ITD and OCIO internal and external policies with respect to IT procurement.
- 17) Reviewed accounting and other financial data from the Wyoming Online Financial System (WOLFS); infoAdvantage; the Wyoming Internet Budget and Analysis Reporting System (IBARS); and ITD and OCIO budget requests with respect to expenditures and revenues.
- 18) Reviewed previous audits conducted under the authority of the State Auditor's Office by RSM McGladry related to information systems controls for financial systems.
- 19) Conducted Internet research on other states' practices; we also interviewed and surveyed other states officials of selected states for clarification (i.e. Alaska, Montana, North Dakota, South Dakota, and Vermont).
- 20) Requested and reviewed detailed information and financial data from ITD and the OCIO.

Scope Limitation

It should be noted that LSO auditors uncovered a scope limitation, which increased the risk of inaccurate, inconsistent, or incomplete information from ITD and the OCIO. Part of our audit objective included a review or summary of the inventory of Executive Branch IT resources from hardware such as data centers, servers, and computer hardware and software.

However, we are unable to completely provide this review as it appears the OCIO through ITD maintains only partial or irregular inventory which was not sufficient. In addition, ITD and the OCIO do not routinely collect, review, and summarize inventories conducted by individual agencies, nor do they utilize fixed asset information over \$5,000 maintained by the State Auditor's Office.

Finally, there are significant differences between the LSO's Confidential Survey Instrument and ITD's customer service surveys (HEAT). LSO's survey included questions designed to measure satisfaction with ITD, OCIO, and the Governance structure, while the HEAT survey data measures customer service after IT projects have been completed by ITD. ITD's customer service surveys are not conducted to keep the respondents anonymous and are more inclusive of ITD's functions and services. In other words, the survey is not meant to identify satisfaction with the OCIO or knowledge of consolidation efforts.

Acknowledgements

The Legislative Service Office expresses appreciation to the Information Technology Division, as well as the Office of the Chief Information Officer for their continued cooperation throughout this audit.

We would also like to express appreciation to the State agencies, boards, commissions, and elected officials for completing our *Confidential Survey Instrument*. In addition, we would like to thank the University of Wyoming for its assistance, as well as the Wyoming Business Council and other entities. Finally, we would like to thank the IT staff in the states of Alaska, Montana, North Dakota, South Dakota, and Vermont for their assistance.

CHAPTER 1

Background:

The Office of the Chief Information Officer and Information Technology Division work together to provide and bill services to Wyoming agencies, boards, and commissions

The Information Technology Division (ITD) and the State Office of the Chief Information Officer (OCIO) are organized within the Wyoming Department of Administration and Information (Department). ITD and the OCIO comprise the two primary statutory components related to the development and support of information technology solutions for government agencies.

Information Technology Division

W.S. 9-2-1002 (a) through (d) creates the Department and sets forth provisions for the creation of ITD. Within this framework are five core statutory principles which apply to the Department, and by extension ITD.

- Improve techniques used for management of state government;
- Coordinate, consolidate and provide services used by multiple agencies;
- Review agency programs, expenditures, and management to identify problems and suggest improvements;
- Promote economy and efficiency in government; and
- Establish uniform standards of administration.

The ITD also conducts its work pursuant to W.S. 9-2-1018. More specifically, it is required to do the following:

- Develop and provide computer and processing services to State government;
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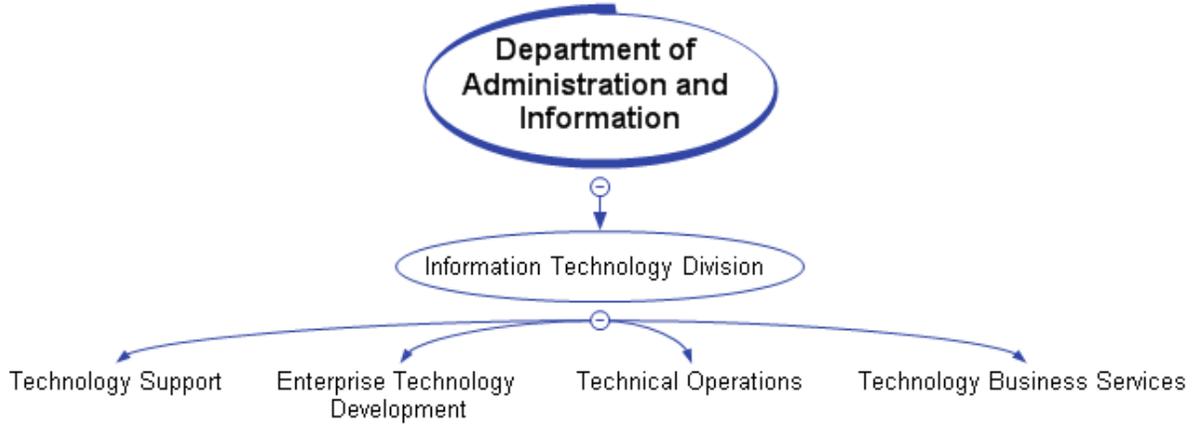
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ITD consists of four service-based functions: 1) technology support; 2) enterprise technology development; 3) technical operations; and 4) technology business services as illustrated in Figure 1.1 below.

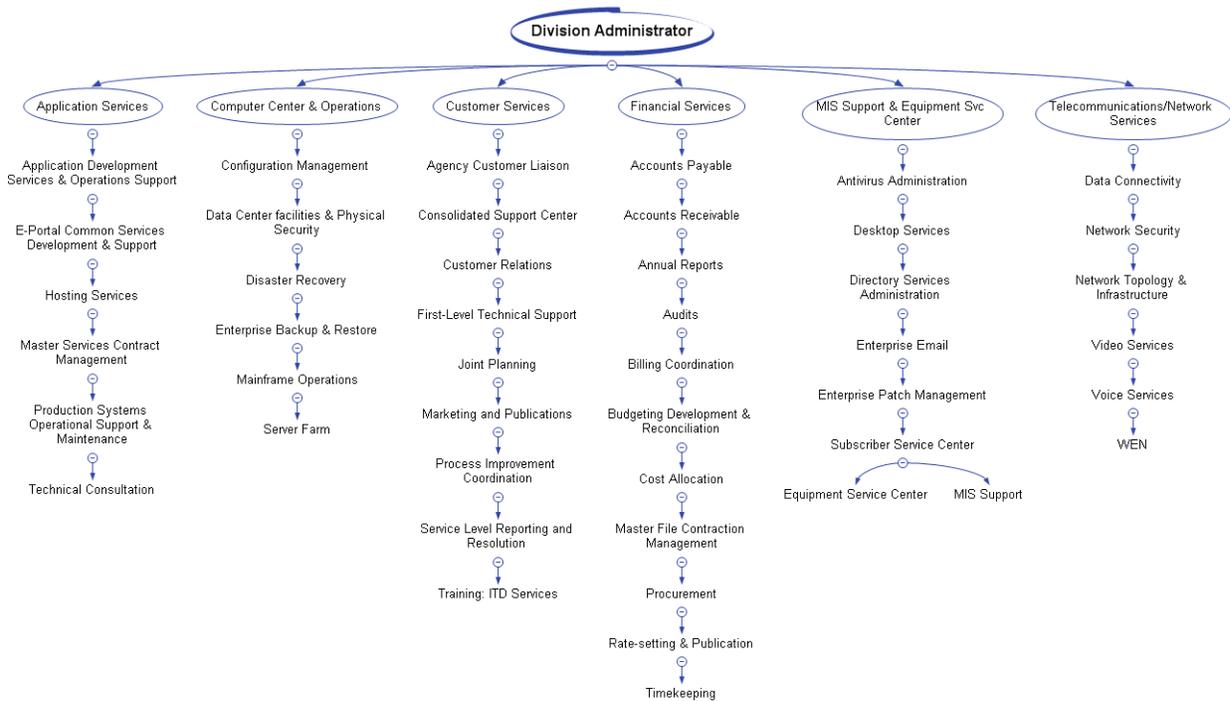
Figure 1.2 provides a more detailed description of ITD’s duties and responsibilities.

**Figure 1.1
ITD Organizational Chart**



Source: Legislative Service Office summary from information provided by the ITD.

**Figure 1.2
ITD Organizational Chart**



Source: Legislative Service Office form information provided by the ITD.

Office of the Chief Information Officer The OCIO was created in 2005, pursuant to W.S. 9-1-222. The CIO is required to carry out the following duties:

- *“Develop a biennial information technology plan for the executive branch;”*
- *“Implement and maintain an information technology governance program for the executive branch;”*
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It should be noted the judicial and legislative branches, higher learning institutions in Wyoming, the Game & Fish Department, and Wyoming Department of Transportation are generally exempt from the CIO’s authority. However, many of these entities coordinate with the OCIO as part of the Governance Model.

Also, the OCIO acts as a conduit for planning, review and information among the several committees with which it works.

This includes ITD and state agency partnerships to assure that the strategic goals and objectives of information technology implementation are met.

Related to customer service, ITD offers an opportunity for state agencies to rate their service experience by taking an online survey through *Survey Monkey* after projects and service calls are completed. This process provides a potential opportunity for ITD to review current service levels, modify and improve services in the future. Surveys are conducted through the HEAT ticketing system, which is used by agencies to request IT services.

Recent Legislative Action: In 2010, the legislature passed section 317 to the general appropriations bill which grants the CIO additional authority. For example, Enrolled Act 46 of the 2010 Budget Session (HB 0001) provides the OCIO with authority to approve IT purchases, review and approve IT consolidation initiatives, as well as identify and use cost savings. This authority is granted through BFY 2011.

Also, the provision in the budget bill calls for the creation of an IT savings account where one half of identified savings will revert to the budget savings account and the other half will be deposited in the information technology savings account. To date this account has not been established. However, the OCIO stated that it will ask the State Auditor to establish this account in WOLFS beginning July 1, 2011.

Related to consolidation efforts, the OCIO released two consolidation reports: *Information Technology (IT) Transformation and Consolidation Committee Report (Phase I)* released July 1, 2010 and *Information Technology (IT) Transformation and Consolidation Committee Report (Final)* released on October 1, 2010.

The final report recommended the following: 1) Establish the IT transformation steering committee; 2) Authorize and fund the initial development of State's new data center and IT facility; 3) Authorize and support the new State IT entity/agency with new appropriations and/or reallocation of existing IT appropriations from existing agencies; and 4) Sign and support the Executive

Order to authorize the consolidation and reporting activity, pending legislation. As of the date of this report, IT consolidation is pending, awaiting the creation of an Executive Order and the passage of enabling legislation.

In 2011, amendments to the budget bill provided detailed guidance as to the placement of the CIO within the Department of Administration and Information. The specific provision reads as follows: *“Commencing July 1, 2011 the chief information officer employed pursuant to W.S. 9-1-222 shall be an employee of the department of administration and information, shall serve at the pleasure of the governor, and shall be identified as an at-will employee of the department.”*

*Non-statutory
governance structure
coordinates overall
state government
information technology
management*

A non-statutory component exists, which is used to coordinate overall state government information technology management. The IT Governance Model was created by the CIO, pursuant to his authority stipulated pursuant to W.S. 9-1-222 (a) (ii). It was implemented as an integrated approach with the ITD to clarify a “supervisory” relationship between the two entities. Such an approach is designed to ensure adequate levels of service by the ITD. The OCIO reviews ITD operations, budget requests, and requires ITD participation in the IT Governance Model.

The Model relies on the Information Technology Coordinating Committee (ITCC) and the Information Technology Policy Council (ITPC) for approval of IT related purchases, as well as recommending IT policy for Wyoming. The ITPC provides advice and counsel to the OCIO. The ITCC *“participates in the recommendation and implementation of IT policy and direction, provides a forum for cooperative effort and information exchange, promotes the effective and efficient use of state IT resources, and acts as a primary technical advisor to the OCIO and the ITPC.”*

It should be noted that the CIO created the ITPC in May 2005. According to the ITPC charter, it was *“formally adopted as part of the acquisition and organization model of IT in the executive branch of Wyoming state government.”* The chartered purpose of the ITPC is to *“provide advice and counsel to the OCIO and the Governor in the setting of general direction and application of IT resources within the Executive Branch of state government.”*

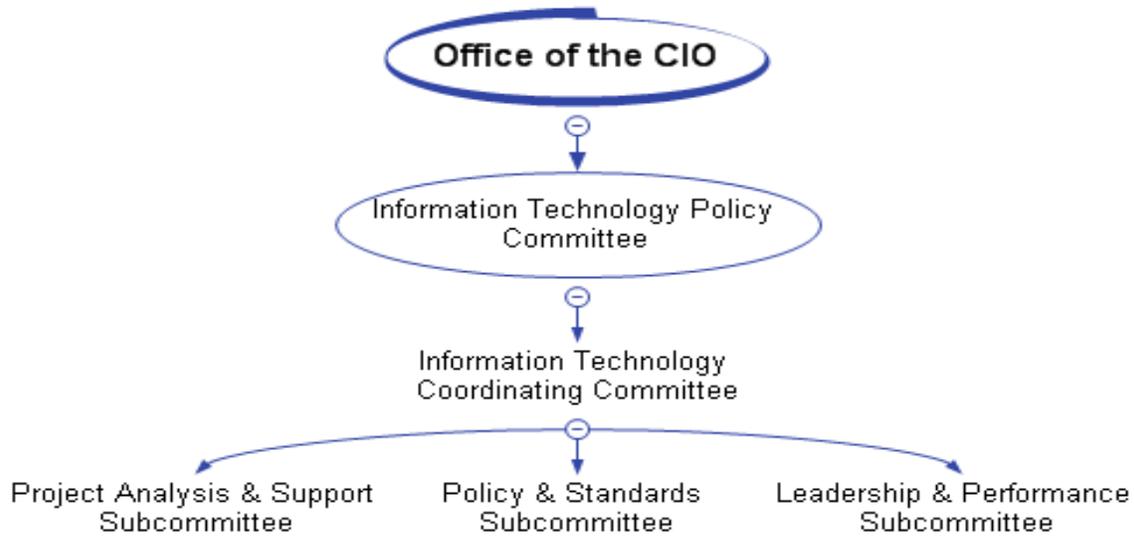
While the OCIO and the Governor have final responsibility for establishing acquisition and organization policy, the OCIO will make every reasonable effort to accommodate the recommendations of the ITPC.”

The CIO also modified the purpose of the ITCC. Although it was created in 1994, the CIO revised the purpose in July 2008. The chartered purpose of the ITCC is to *“proactively participate in the recommendation and implementation of IT policy and direction, provide a forum for cooperative effort and information exchange, promote the effective and efficient use of state IT resources, and act as a primary technical advisor to the Office of the Chief Information Officer (OCIO) and the Information Technology Policy Council (ITPC).”* According to the CIO’s webpage, *“every state agency, board and commission has been invited to send a representative.”*

The ITD is a voting member of the ITPC and the ITCC, and according to the CIO, provides direct support to the IT Governance Model. It also receives direction from the OCIO related to research requests, policy analysis, and updates to various IT topics. ITD currently serves as the Chair of the ITPC.

The following figure provides additional information on the organization of the governance structure.

**Figure 1.3
Governance Structure**



Source: Legislative Service Office from information provided by the ITD.

Self funding IT model

ITD is a self-funded service division where its revenue is generated through charge back rates and fees for when customer agencies utilize ITD for services. Contrary to most state agencies, ITD relies on customer agencies to pay for various IT services it provides.

When the Division submits a budget request to the Legislature, it is not requesting actual money or cash from the internal service fund. Rather, it is requesting spending authority up to the amount requested to be paid back throughout the biennium.

W.S. 9-2-1003 (d) provides the authority to the Department of Administration and Information to bill state agencies. In addition, W.S. 9-4-204 (t) (ii) (B) explains the nature of an internal services fund. It states *“Internal service fund-to account for the financing of goods or services provided by one (1) department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.”*

In other words, state agencies pay ITD to provide most of their computing and telecommunication services to meet their needs. Each month, ITD summarizes separately computing services and telecommunications services billings to state agencies (through online billing systems) so that agencies can review their services used and arrange for electronic transfer of agency funds to ITD. All receipted revenue is posted to the division's internal services fund and thereafter allocated to cover its costs for providing services.

Rate Setting: ITD sets service rates each biennium based on anticipated customer agency demand for its services. This process is long and detailed with steps included for customer agencies to review, comment, and provide feedback to ITD on preliminary and final rates. Once rates are established, customer agencies generally commit to using and paying for certain services and those funds are included in agency biennial budget requests.

In simple terms, the ITD reviews the immediate preceding biennium's service costs (ITD expenditures), customer agency service utilization, and projected service utilization in the upcoming biennium to calculate educated best-guess service rates. It uses the *Comprehensive Rate Information System* (CRIS) software developed by Maximus Consulting Services, Inc. The software is set up to model different variables or factors to which the ITD inputs data to forecast expected ITD unit costs for the services it provides.

Once set, the approved service rates are used by the State Budget Division to develop each state agency's information technology budgets under the 400 Object Classes (410 for computer and data services, and 420 for telecommunication services). These budgets are presented to the Governor and the Legislature during the formal budget hearing and approval processes during each legislative session. It should be noted that prior to establishment of agency 400 series budgets, preliminary rates are reviewed and modified based on feedback from the OCIO, the A&I director, and customer agencies. Annual reviews (at the end of each fiscal year) are conducted by the United States Department of Health and Human Services.

The following tables provide additional information on the timeline and steps for the rate setting process.

Table 1.1
Rate Setting Timeline
BFY2007 through BFY2011

Biennium	FY	Active Months	Tasks
BFY 2007	2007	January through June	ITD gathers previous biennium service utilization data and sets preliminary rates for BFY 2009. Then, it obtains customer agency feedback on service utilization for final rates.
	2008	July through December	Agency budgets prepared and approved by the Governor
	2008	January through March	Legislature reviews, amends, and approves agency budget requests based on Governor's recommendations.
BFY 2009	2009	January through June	ITD gathers previous biennium service utilization data and sets preliminary rates for BFY 2011. Then, it obtains customer agency feedback on service utilization for final rates.
	2010	July through December	Agency budgets prepared and approved by the Governor
	2010	January through March	Legislature reviews, amends, and approves agency budget requests based on Governor's recommendations.
BFY 2011	2011	January through June	ITD gathers previous biennium service utilization data and sets preliminary rates for BFY 2013. Then, it obtains customer agency feedback on service utilization for final rates.
	2012	July through December	Agency budgets prepared and approved by the Governor
	2012	January through March	Legislature reviews, amends, and approves agency budget requests based on Governor's recommendations.

Source: Legislative Service Office from information provided by ITD.

Table 1.2
Rate Setting Process Steps and Components

Rate Setting Steps	Components of Rate Setting Steps
Analysis of Variable Rate Factors	<p><u>Agency Service Utilization Analysis</u>: Usage of hardware and software such as servers, storage, email, telecommunications, etc.</p> <p><u>ITD Expense and Cost Allocation Analysis</u>: Review of expenses related to current programs and other architecture.</p> <p><u>Forecast of Infrastructure Improvements</u>: Development of enterprise or shared services, expansion of current or new services, and cessation of outmoded services.</p>
Forecast of Expected Expenditures	<p><u>Variable Rate Factors</u>: Loaded into the <i>Comprehensive Rate Information System</i> (CRIS) software.</p> <p><u>Non-Variable Factors</u>: Loaded into the CRIS software (i.e. mainframe usage, software maintenance, and website hosting).</p>
Exceptions and Adjustments	<p><u>Cost-Utilization Comparison Factors</u>: Unusually high utilization rates may lead to exception requests and low utilization rates may lead to elimination of service. May lead to rate increases or decreases.</p>
A&I Review	<p><u>Various Levels of Review</u>: Accounting Office; OCIO, ITD, and Director.</p>
State Agency Review and Feedback	<p><u>Agency Feedback</u>: Agencies provide feedback to ITD on accuracy and completeness of service and rate estimate. They also provide feedback on agency budget estimates for 400 Object Class budgets for the upcoming biennium.</p>
Budget Estimates and Approvals	<p><u>ITD</u>: ITD adjusts rates based on agency feedback.</p> <p><u>Budgets</u>: 400 Object Class budgets are adjusted and budget estimates sent to agencies for final approval. Approved budgets are placed into agency biennial budget requests.</p>
Periodic Cost/Rate Review	<p><u>ITD</u>: ITD conducts quarterly cost allocation reviews to identify if decrease/increase rate adjustments are necessary.</p>

Source: Legislative Service Office from information provided by ITD.

Complex funding model overseen by the federal government

Despite the relative simplicity implied by requiring customer agencies to pay for ITD services, the actual process to receive funding is relatively complex. For example, various components of the overall process must tie together in a complex process, which is ultimately overseen by the federal government (Department of Health and Human Services). These components include service utilization, accounting for initial investments and projected depreciation, determining fair and reasonable costs, and recovering costs.

The Division of Cost Allocation reviews the OMB Circular A-87 cost reports to ensure they balance to the Wyoming State Auditor's Comprehensive Annual Financial Report (CAFR). The federal cost negotiator analyzes the excess fund balances by reviewing in detail the expenses incurred by ITD, revenue collected from agencies and the profit (loss) for each billable service. In other words, the federal cost negotiator is determining whether ITD is charging "*fair and equitable rates*" to agencies who receive federal funds.

Once the federal cost negotiator is satisfied that ITD is not making net profit above and beyond its operating budget, it approves ITD's central service cost allocation plan. It should be noted, that according to ITD officials, it has not processed a refund check back to the federal government since 1988 (overcharged agencies by \$1 million). Officials also stated that it has not had an excess fund balance since fiscal year 2001, when it had to return money back to its customers. Since 2001, ITD has adjusted rates accordingly, to ensure it does not make a profit that would place it in "*over-collection status*" with the federal government.

The premise for federal oversight is that federal monies should not be disproportionately paying for services where state and/or other funds are also used; a common concern may be that states are supplanting state or other funds with federal monies to pay for required services. In order to ensure it is staying within federal guidelines, ITD contracts (since 1989) with an outside cost allocation consulting firm called Maximus Consulting Services, Inc.

According to the ITD, federal requirements may change in the future to account for proper cost allocation and profit/loss review at the service level – for each individual service – rather than at the Division level. Currently, some services provided by ITD operate at a loss while others operate at a profit, and ITD balances all expenses where ITD as a unit does not realize any profit. The following table provides additional information on ITD’s profit and loss over the previous biennia.

Table 1.3
ITD Cumulative Profit & Loss
BFY 2009 – 2011 (through December 31, 2010)

Fiscal Year	Quarter	Cumulative Fund Balance at the End of Each Period
2009	1 st Quarter	\$1,219,308
	2 nd Quarter	\$1,920,040
	3 rd Quarter	*
	4 th Quarter	\$882,841
2010	1 st Quarter	\$1,117,806
	2 nd Quarter	\$430,779
	3 rd Quarter	\$433,432
	4 th Quarter	\$124,501
Ending BFY 2009 Balance		\$124,501
2011	1 st Quarter	*
	2 nd Quarter	\$1,626,605

Source: Legislative Service Office from information provided by ITD.

*Indicates the ITD did not produce a quarterly statement and therefore did not conduct a review.

ITD officials also stated that the firm provides assistance with respect to following the federal Office of Management and Budget (OMB) Circular A-87 guidelines. The circular provides state, local, and Indian tribal governments with guidance related to cost principles and procedures for developing cost allocation plans for agreements with the federal government.

The vendor also helps ITD to ensure they are following industry best practices, provides examples of how other states establish and provide IT services, reviews quarterly cost reconciliation for accuracy and provides assistance on developing the forecast model used to establish rates. Finally, Maximus provides the Comprehensive Rate Information System (CRIS) that is utilized to analyze profits (loss) by each service provided by ITD. This

software is proprietary and assists ITD with rate determination.

Master service agreement program

ITD manages the Master Service Agreement (MSA) Program. This program is designed to establish contracts in order to provide “technical staff augmentation” for Executive Branch agencies, as opposed to “turn-key” solutions that are typically handled through the Request for Proposal (RFP) process.

In other words, these contracts can be used to acquire temporary technical expertise for state agencies. Contractors provide an array of technical services through the MSA Program in the following areas:

- Application development;
- Web content and graphics design;
- Database administration;
- Database development;
- Project management; and
- Network management and support.

Agencies wishing to use the MSA Program are required to draft a “scope of work” document that is then distributed to the participating vendors in the MSA Program. The “scope of work” document includes a summary of the type of work needed, as well as the skills and resources required to accomplish the desired outcome.

Once the agency selects a vendor, ITD will handle administrative activities including review by the Office of the Attorney General, receiving appropriate signatures, and assist with accounting and billing activities. The agencies will manage the resources and approve time sheets and/or invoices related to completed work.

Budget information

As discussed earlier, ITD is a self-funded agency that receives and relies on appropriated funds from other agencies for providing IT services and completing IT projects. And, the OCIO acts as a planning, review and information conduit entity

among the several committees it works with which includes ITD and state agencies' partnerships to assure that the strategic goals and objectives of information technology implementation are met.

The following tables provide detailed information on the budgets of each of the above entities.

Table 1.4
ITD and OCIO Appropriation and Expenditure Summary
BFY 2007

A&I Division	A&I Budget Unit	IBARS		WOLFS	
		BFY 2007 Appropriation*	Expenditure Authority	Actual Expenditures	
ITD	4000				
Resource Management	4001	\$ 2,787,178.00	\$ 2,410,757.00	\$ 1,128,099.08	
Financial Services-ITD	4002	\$ 777,626.00	\$ 961,438.00	\$ 949,979.89	
MIS Support Center	4005	\$ 5,704,374.00	\$ 4,509,640.00	\$ 3,717,850.69	
Application Development	4006	\$ 5,245,055.00	\$ 12,380,386.00	\$ 11,122,382.17	
Computing Center	4007	\$ 9,113,837.00	\$ 7,653,566.00	\$ 7,333,470.63	
GIS Group	4010	\$ 816,517.00	\$ 1,191,200.00	\$ 1,155,924.54	
Customer Services-ITD	4011	\$ 1,936,825.00	\$ 2,074,066.00	\$ 1,897,007.29	
MIS Equipment Service Center	4014	\$ -	\$ 7,007,267.00	\$ 6,589,630.90	
CIO	4020	\$ 2,036,485.00	\$ -	\$ -	
Telecommunication Council	4021	\$ 265,471.00	\$ -	\$ -	
Network Services	4051	\$ 7,956,304.00	\$ 6,127,631.00	\$ 6,074,924.63	
Telephone Operations	4052	\$ 16,084,128.00	\$ 14,587,762.00	\$ 14,470,016.01	
Public Safety Communications Commission	4053	\$ 160,555.00	\$ 156,340.43	\$ 156,340.43	
Education Network	4054	\$ -	\$ 13,500,000.00	\$ 13,497,821.21	
GIS Census Support	4055	\$ -	\$ 317,858.00	\$ 312,255.27	
ITD Sys Deve Early Retirees	4E06	\$ -	\$ 2,795.00	\$ 2,795.00	
Planning Early Retirees	4E09	\$ -	\$ -	\$ -	
ITD Subtotal		\$ 52,884,355.00	\$ 72,880,706.43	\$ 68,408,497.74	
OCIO	9000				
CIO	9001	\$ -	\$ 1,927,242.33	\$ 1,563,906.61	
Telecommunications Council	9002	\$ -	\$ 244,347.30	\$ 244,347.30	

		IBARS	WOLFS	
	9E06	\$ -	\$ 3,225.00	\$ 3,225.00
OCIO Subtotal		\$ -	\$ 2,174,814.63	\$ 1,811,478.91
Grand Total	ITD & OCIO	\$ 52,884,355.00	\$ 75,055,521.06	\$ 70,219,976.65

Source: Legislative Service Office from information provided in WOLFS and IBARS.

*Almost all revenue used for ITD operations comes from other agencies' purchase of services; all OCIO operations are funded through the State's General Fund.

Table 1.5
ITD and OCIO Appropriation and Expenditure Summary
BFY 2009

A&I Division	A&I Budget Unit	IBARS	WOLFS	
		BFY 2009 Appropriation*	Expenditure Authority	Actual Expenditures
ITD	4000			
Resource Management	4001	\$ 2,508,760.00	\$ 2,171,812.75	\$ 1,027,547.63
Financial Services-ITD	4002	\$ 1,133,174.00	\$ 1,261,642.66	\$ 1,218,612.83
MIS Support Center	4005	\$ 7,361,162.00	\$ 5,136,663.42	\$ 4,564,439.73
Application Development	4006	\$ 11,235,470.00	\$17,053,702.00	\$ 15,734,725.62
Computing Center	4007	\$ 9,424,791.00	\$ 8,905,925.00	\$ 8,220,301.81
Customer Services-ITD	4010	\$ 1,553,039.00	\$ 1,554,022.00	\$ 1,038,532.07
MIS Equipment Service Center	4011	\$ 2,317,313.00	\$ 2,318,296.00	\$ 1,982,183.63
IT Depreciation Reserve	4014	\$ 2,038,200.00	\$ 2,038,200.00	\$ 277,433.83
Network Services	4051	\$ 8,286,773.00	\$ 8,894,549.00	\$ 8,892,134.22
Telephone Operations	4052	\$ 14,676,436.00	\$16,407,346.00	\$ 16,317,583.89
Public Safety Communications Commission	4053	\$ 200,634.00	\$ 172,743.48	\$ 172,743.48
Education Network	4054	\$ -	\$16,733,000.00	\$ 13,359,378.53
Equipment Replacement	4056	\$ 547,410.00	\$ 272,410.00	\$ 265,611.44
Video Task Force	4057	\$ -	\$ 300,000.00	\$ 266,730.77
ITD Subtotal		\$ 61,283,162.00	\$83,220,312.31	\$ 73,337,959.48
OCIO	9000			
CIO	9001	\$ 2,370,058.00	\$ 1,789,674.90	\$ 1,728,142.72
Telecommunications	9002	\$ 45,471.00	\$ -	\$ -

A&I Division	A&I Budget Unit	IBARS	WOLFS	
		BFY 2009 Appropriation*	Expenditure Authority	Actual Expenditures
Council				
OCIO Subtotal		\$ 2,415,529.00	\$ 1,789,674.90	\$ 1,728,142.72
Total	ITD & OCIO	\$ 63,698,691.00	\$ 85,009,987.21	\$ 75,066,102.20

Source: Legislative Service Office from information in WOLFS and IBARS.

*Almost all revenue used for ITD operations comes from other agencies' purchase of service.

Table 1.6
ITD and OCIO Appropriation and Expenditure Summary
BFY 2011 (as of 5-12-11)

A&I Division	A&I Budget Unit	IBARS	WOLFS	
		BFY 2011 Appropriation*	Expenditure Authority	Actual Expenditures**
ITD	4000			
ITD Administration	4001	\$ 2,605,440.00	\$ 2,605,440.00	\$ 814,265.86
Technology Business Services	4002	\$ 1,873,822.00	\$ 1,873,822.00	\$ 766,227.31
Technology Support	4005	\$ 5,104,763.00	\$ 5,104,763.00	\$ 1,795,026.81
Enterprise Technology Development	4006	\$ 10,773,138.00	\$ 10,773,139.00	\$ 5,815,209.12
Technical Operations	4007	\$ 12,689,897.00	\$ 12,689,897.00	\$ 4,923,919.03
MIS Equipment Service Center	4011	\$ 2,313,408.00	\$ 2,313,408.00	\$ 819,827.11
IT Depreciation Reserve	4014	\$ 2,846,626.00	\$ 3,434,314.00	\$ 539,402.51
Network Services	4051	\$ 6,006,681.00	\$ 6,006,681.00	\$ 2,826,340.72
Telephone Operations	4052	\$ 12,631,601.00	\$ 12,631,601.00	\$ 5,783,039.72
Public Safety Communications Commission	4053	\$ 203,402.00	\$ 203,402.00	\$ 75,387.84
Education Network	4054	\$ -	\$ 11,200,967.00	\$ 4,850,114.30
ITD Subtotal		\$ 57,048,778.00	\$ 68,837,434.00	\$ 29,008,760.33

A&I Division	A&I Budget Unit	IBARS	WOLFS	
		BFY 2011 Appropriation*	Expenditure Authority	Actual Expenditures**
OCIO	9001			
CIO	9001	\$ 7,304,040.00	\$ 7,426,040.00	\$ 1,748,993.07
OCIO Subtotal		\$ 7,304,040.00	\$ 7,426,040.00	\$ 1,748,993.07
Total	ITD and OCIO	\$ 64,352,818.00	\$ 76,263,474.00	\$ 30,757,753.40

Source: Legislative Service Office from information provided in WOLFS and IBARS.

*Almost all revenue used for ITD operations comes from other agencies' purchase of services; all OCIO operations are funded through the State's General Fund.

**Actual Expenditures to date (5-12-11).

IT security audits

Each year CPA firm McGee, Hearne & Paiz, LLP performs a security audit of Wyoming's financial information systems general controls. These systems, listed below, have generally been implemented through coordination with the State Auditor's Office and the OCIO. Moreover, proper information systems controls are the responsibility of management, state agencies and user departments.

- Wyoming Online Financial System (WOLFS);
- Advantage HR/Payroll;
- Eligibility Payment Information Computer System (EPICS);
- Medicaid Management IS (MMIS);
- QED Investment Tracking (Q2);
- Mineral Severance Tax Program (Department of Revenue);
- Wyoming Integrated Next Generation System (WINGS);
- Workers Compensation and Unemployment Insurance;
- Excise Tax Program; and
- Wyoming Retirement System.

The OCIO is responsible for the oversight in this process; however it is the responsibility of each agency to address findings of the audit. Each audit determines potential security weaknesses within state agencies which must be addressed. Each deficiency is given a control concern description, a relative risk rating and a resolution level of difficulty. Relative risk is determined by a subjective evaluation of the severity of the concern and the potential impact on operations. The resolution

level of difficulty is also a subjective evaluation to measure the estimated level of difficulty to resolve the concern based on experience and potential cost.

Table 1.7 shows a summary of each audit by year with aggregate counts of rating levels (high, medium, low) corresponding to aggregate counts of relative risk ratings and the resolution difficulty. Since the audit conducted on February 12, 2009 it appears security and controls related to information technologies have improved greatly in terms of size and scope for identified risks.

This is seen by the count of each level related to relative risk over the three audit periods. For example, the count of high risks has decreased from 18 to 16 to 9. Also, notice that the number of identified risks remaining an open concern on December 11, 2009 is 38 which were reduced to 21 open cases on December 3, 2010.

Table 1.7
Aggregate Findings Information Systems General Controls Reviews

	February 12, 2009	December 11, 2009	December 3, 2010
Relative Risk	18 High 25 Medium 5 Low	16 High 27 Medium 13 Low	9 high 25 Medium 13 Low
Resolution Level of Difficulty	12 High 18 Medium 18 Low	10 High 19 Medium 27 Low	10 High 16 Medium 21 Low
Status	N/A	38 Open 18 Closed	9 N/A 21 Open 17 Closed

Source: Legislative Service Office from information provided by the McGee, Hearne & Paiz, LLP reviews.

Although it appears that significant progress has been achieved reducing or eliminating financial information systems' security risks, there are still risks that have not been addressed which have resurfaced through each audit. For example, database access for the Wyoming Retirement System (WRS) has been assessed as a high relative risk with a high difficulty of resolution.

Currently, WRS is working with ITD and outside vendors to resolve the problem and implement software that can track and limit total access to database information. While finding resolutions to security threats primarily falls to agencies, ITD as with WRS, will need to continue collaborative efforts with agencies to help reduce and eliminate information technology security threats.

It should also be noted the OCIO provides monitoring of the audit process by requesting “*action plans*” from agencies with respect to implementation of recommendations.

State telecommunications

There are three basic components to statewide telecommunications.

1. State Telecommunications Council;
2. Information Technology Division; and
3. Public Safety Communications Commission.

The State Telecommunications Council

The Council was established in statute in 1994 under W.S. 9-2-1026.2. It was preceded by the Telecommunications Division Advisory Council when the Department (previously the Department of Administration and Fiscal Control) separately administered telecommunications services for other computer and technology services.

The Council’s basic composition as described in statute is as follows:

- Comprised of nine (9) members representing the public at large, but with demonstrated interest and involvement in telecommunications issues through business, educational institutions, and government (W.S. 9-2-1026.2 (f));
- Members serve four-year terms and must be approved by the Wyoming Senate (W.S. 9-2-1026.2 (g));
- Meets at least quarterly (W.S. 9-2-1026.2 (j));
- Develop both short and long term goals and plans for

telecommunications services affecting government, education, private industry and others (W.S. 9-2-1026.2 (m)); and

- Inventory current telecommunications infrastructure, solicit comments, and make recommendations on improvements to accommodate greater efficiency, economic growth, and enhanced educational opportunities in the state (W.S. 9-2-1026.2 (n)).

Since 2006, the state Chief Information Officer has been designated as the Council's executive secretary and administrative support staff; previously, the ITD acted as administrative support staff to the Council.

*Information
Technology Division*

ITD has extensive statutory responsibilities for administering and overseeing telecommunication duties for state government. In W.S. 9-2-1026.1, several significant duties are set out for the ITD, including:

- Establish and promulgate rules and regulations governing the use and funding of telecommunications services, equipment, software and networks;
- In consultation with state agencies including state and educational institutions and the state telecommunications council, develop recommendations for a current and long-range telecommunications transport service plan for state government ... The plan shall be submitted to the governor and director of the department for approval;
- Administer the approved current and long-range plan for telecommunications and coordinate the telecommunications transport service network;
- Review all existing and future telecommunications planning, networks, systems and programs and recommend priorities therefore in accordance with the purposes of this section and W.S. 9-2-1026.2;
- Advise the governor and the legislature on telecommunications matters;

- Provide necessary administrative and clerical assistance to the public safety communications commission established under W.S. 9-2-1101;
- Telecommunications transport service requirements for any agency including state and educational institutions shall be coordinated through the information technology division; and
- The state public safety communications commission established under W.S. 9-2-1101 shall coordinate its statewide telecommunications transport service requirements through the information technology division;

ITD has not developed rules in accordance with the W.S. 9-2-1026.1(a) (i).

*Public Safety
Communications
Commission*

This Commission is established by W.S. 9-2-1101 through 1106 to provide a common forum for the state's law enforcement and emergency management agencies (total of 17 members) to coordinate their telecommunication services and issues. This commission was previously called the State Agency Law Enforcement Communications System (SALECS) until statutory changes in 2004. Basic duties of the Commission include:

- Work with the ITD administrator and the Department of Transportation to promote the development of public safety communications systems in the state (W.S. 9-2-1104 (a) (i));
- Report annually to the governor concerning problems with the system (W.S. 9-2-1104 (a) (ii));
- Submit a plan to ITD for inclusion in the state telecommunications transport services plan required under W.S. 9-2-1026.1(a) (W.S. 9-2-1104 (a) (i));
- With participating federal agencies, establish and assess user fees upon any federal law enforcement agency electing to use and participate in the system (W.S. 9-2-1104 (a) (iv));
- Promulgate necessary rules and regulations governing system operation including suspension of participants for non-compliance (W.S. 9-2-1104 (a) (v));
- Determine participation in the wireless network (W.S. 9-2-1104 (a) (vi)); and
- Holding public meetings (W.S. 9-2-1104 (b)).

CHAPTER 2

Lack of Annual IT Inventories for the Executive Branch

Finding 2.1: State IT consolidation efforts and the OCIO’s development of the Wyoming State Biennial Technology Plan have occurred without an annual inventory of Executive Branch IT resources.

The OCIO and ITD do not conduct a complete annual inventory of Executive Branch IT resources including software, hardware, servers, and data centers. Rather, they have attempted to piece together inventory information from isolated efforts throughout the years. As a result, important statutory responsibilities and other processes related to planning, consolidation, and biennial rate setting have occurred without an adequate inventory.

Statutory criteria for annual inventories does not exist Although a statutory criterion specifically related to inventory does not exist, other authority implies the need for such a process for both ITD and OCIO.

For example, the CIO is required to “*develop a biennial information technology plan for the Executive Branch*” (W.S. 9-1-222(a)(i)); “*develop and implement recommendations for the proper management of executive branch information technology resources*” (W.S. 9-1-222(a)(iv)); “*review and make recommendations to the governor concerning information technology budget request made by executive branch agencies*” (W.S. 9-222(a)(v)); and “*recommend information technology procurement improvements*” (W.S. 9-1-222(a)(vii)).”

Also, ITD has certain statutory responsibilities, which are similar. For example, ITD assists the Department of A&I to “*coordinate, consolidate, and provide services which are used by more than one (i) agency*” (W.S. 9-2-1002(b)(ii)) and “*review agency programs, expenditures, and management to identify problems and suggest improvements*” (W.S. 9-2-1002(b)(iii)).

Moving forward to carry out the above provisions without an annual and complete inventory of IT resource for the Executive Branch, would be difficult at best. The OCIO and ITD acknowledged the lack of explicit statutory authority for conducting an IT inventory. However, they also acknowledge how indispensable this information is toward meeting state IT management goals and performance. To illustrate, the OCIO has set formal policy regarding IT inventory activities as follows:

4100-P130: Responsibility for Information Technology Resources [Approved Date: 06/17/2009]

I. PURPOSE

This policy establishes requirements to achieve and maintain appropriate protection of information technology (IT) resources that belong to the State of Wyoming.

II. SCOPE

This policy applies to all executive branch agencies, boards, and commissions (collectively referred to as “agencies”).

III. POLICY

B. Inventory of IT Resources

1. Overall authority for the IT resource inventory process resides with the Office of the Chief Information Officer (OCIO). Procedures for implementing the information gathering process shall be developed in cooperation with each entity in the Executive Branch.

2. Upon request of the OCIO, agencies shall collect and submit the required IT resource inventory data (as defined by the OCIO) for State-owned and/or leased IT resources within the Executive Branch.

3. Agencies shall use the methods and format approved by the OCIO to collect and submit IT resource inventory data.

4. Nothing in this policy shall preclude agencies from using the IT resource inventory software for their own purposes.

The OCIO and the ITD stated they do not have, or could not locate, any standard policies, procedures, or rules for actually conducting an overall inventory of IT resources. The policy above, as updated two years ago, sets out the expectation of a collaborative process led by these entities to gather this information. Actual data gathering steps and timeframes are not specified.

It should also be noted that the OCIO has designated the Deputy CIO with the following responsibilities as part of his position description:

“Formulates and facilitates software, hardware, procurement, and contract policies, standards, and procedures. Acts as advisor and reviewer to external entities and local and state government agencies. Plans and performs annual inventories of IT systems and software for the Executive Branch.”

Piecemeal inventory efforts

ITD maintains some inventory, but additional records are maintained by the State Auditor’s Office and state agencies

The OCIO’s and ITD’s current inventory practices are issue/topic-based and are centered primarily on establishing an inventory of software and equipment directly under their control. For example, upon request, the OCIO and ITD did provide LSO with several different inventory documents related to ITD-controlled resources. These documents included the following:

- Listing of ITD managed servers;
- Summary of Emerson and Herschler data centers’ equipment in Cheyenne;
- Summary of state mainframe equipment and software programs; and
- Listing of personal computer operating software programs and licenses.

As further explained by the OCIO and ITD, previous inventory efforts were directed toward specific project goals or initiatives pushed by these entities. Additional examples of these efforts include surveying state agencies regarding their anticipated use of the Herschler Data center in 2006. Also, the OCIO and the ITD worked with state agencies to define whether or how the

state should adopt a Microsoft software standard for programs used by agencies.

Individual agency inventory is available to ITD and the OCIO

State Auditors Office: Perhaps the most updated information related to the Executive Branch IT inventory is maintained by the State Auditor's Office (SAO). The SAO keeps monthly reports on state fixed and non-fixed assets for each state agency. These reports are used to track asset inventories for inclusion in the state's Comprehensive Annual Financial Report. Under the fixed asset report, the SAO cumulatively tracks each agency's high-price/cost assets above \$5,000 (excluding buildings) based on agency acquisition and disposition dates. The SAO notes explicitly that this data "*should be reconciled with a physical inventory at least annually.*"

The non-fixed asset report is not cumulative, meaning these monthly reports are individual monthly snapshots of agencies' inventory of assets valued between \$500 and \$4,999. At a minimum, ITD and the OCIO should be using fixed asset information to determine the IT inventory of state agencies.

Office of Risk Management: The second are for information that could be tapped by the OCIO is the information tracked by the Office of Risk Management (ORM), located within the Department of Administration and Information (Department). Starting in July 2009, the ORM instituted a Master Inventory program for agencies that seek coverage under the state's Commercial Property Insurance Program.

The essential elements of this inventory include the SAO reports noted above with requirements that agencies add additional cataloging data and verify inventories manually each year. This process also specifies that each agency is required to single out select asset classes, including computer and information technology assets. With this process already in place, the OCIO could obtain much of its IT inventory data, value estimates, and actual physical locations of items throughout the state.

Individual Agency Inventory: Agencies in the past have used the *iInventory* software to electronically communicate IT inventory to ITD and the OCIO. According to ITD officials, this software has not been used for three years; the licenses for

this product have since expired. According to both the ITD and customer agencies, it was difficult to deploy this software across so many different agencies. Customer agencies also note in responses to our survey that the program only provided partial or poor tracking and that the agencies themselves were not provided any of the final results of using this product. In general, customer agencies felt this process was not well executed.

OCIO Review of Agency Purchases: Another ancillary source of information related to inventory, is the approval process agencies must follow when purchasing IT services or equipment. The OCIO's *IT Investment Review Criteria* requires that agencies making IT related purchases under \$200,000 must submit the *IT Request Form* for approval. For purchases over \$200,000, agencies must complete a *Business Case Plan*, which is ultimately approved by the OCIO. From our discussions with staff from ITD and the OCIO, we were told this information is used to determine future direction for IT related planning and coordination.

OCIO and ITD surveyed select agencies as part of consolidation efforts

As part of the 2010 consolidation, the Transformation and Consolidation Committee, which includes ITD and OCIO representation, conducted a partial inventory of state agencies' IT resources.

Under this committee's work, the OCIO and ITD worked with IBM under contract to provide two separate system requirements and resources mapping tools: 1) *decision model questionnaire*, which outlined agencies' minimum business and IT functional requirements for moving their internal systems forward; and 2) the *What-Runs-Where inventory* identifying servers and data centers required to run agency programs and systems. These inventory efforts were limited to 15 Executive branch agencies and the Legislative Service Office.

Although this work illustrates the identified need by the ITD and OCIO to conduct such an inventory, the information provided by the agencies was inconsistent at best. In addition, the information provided was not complete and appeared to not be summarized in terms of how the information could be used for consolidation efforts.

Substantial efforts move forward without inventory

According to the OCIO and the ITD, it would generally take a long and deliberative process to account for even a baseline inventory of IT resources outside the control of ITD. They further stated that this would be the primary first step if greater IT consolidation is eventually pursued by the state.

However, these entities noted specifically that, “[I]n order to determine potential benefits of consolidation and other enterprise efforts a quality baseline of the existing infrastructure is essential to making informed decisions.” By this statement, the OCIO and the ITD explicitly acknowledge the need for such comprehensive inventory/resources data to make good decisions for which they are responsible in the system, beyond that of just IT consolidation.

Essentially, there are three important areas (at least) where the OCIO and the ITD could utilize a comprehensive inventory of state IT resources: 1) efficient and effective implementation of the Wyoming State Information Technology Plan; 2) service use estimating data used in biennial rate setting; and 3) pursuing IT consolidation within the executive branch.

Biennial State Technology Plan W.S. 9-1-222(a) (i) requires the CIO “to develop a biennial information technology plan for the Executive Branch.” The plan sets out 15 prioritized goals that are intended to enhance and improve state government functioning, as noted below:

1. Email;
2. Project Management and Accountability;
3. Information Security;
4. State Video System Usage;
5. Technical Training/Career Path;
6. GIS;
7. Improve the State Network;
8. Electronic Document Management;
9. Performance Management;
10. Technology Replacement Program (TRP);
11. Disaster Planning & Recovery;
12. Census/Redistricting Support;
13. Enterprise Architecture;

14. Efficiencies/Energy Management; and
15. Enterprise Technology Fund.

Although we did not review each of these goals against inventory records, we did discover that various agencies had concerns about the first prioritized goal (Email). This goal provides an example where the OCIO's efforts to pursue an enterprise e-mail solution has not been as efficient and cost effective as proposed.

For example, we learned that for several agencies, the move from Groupwise to Microsoft Exchange to the current Google application has produced significant headaches and unnecessary costs. For example, several agencies noted that in 2010, they were forced to move from Groupwise to Microsoft Exchange, and pay for the move, while not being told up front about the new Google system that was shortly thereafter contracted to provide the state's enterprise e-mail. These agencies noted that these forced costs for migrating to two different e-mail programs within a year of each other will cost them well over \$100,000.

This example illustrates the need for an adequate inventory related to the above goals, to identify agency usage of existing email systems, prior to moving forward with an enterprise solution.

ITD Biennial Rate Setting As mentioned previously, ITD is set up to be self-funded whereby its customer agencies pay for rendered services. These customers pay the ITD based on a biennially defined rate schedule that is vetted with state agencies. A core function of the ITD services is related to computer hardware maintenance and repair.

Since ITD does not currently obtain or retain comprehensive inventory data on customer agencies' equipment, there is a void of information from which it could better plan anticipated maintenance and repair. ITD noted that it is common for some agencies to keep equipment past the standard useful life, and therefore creating greater challenges for ITD to maintain the equipment or to upgrade equipment to run newer technologies.

In the absence of a comprehensive inventory, ITD may not be able to accurately forecast likely service demand, which may

result in lower-than-adequate rates established for customer agencies. This could ultimately lead to increased rates during a biennium or unanticipated replacement costs for the customer agency.

Statewide IT consolidation It should be noted, that although the OCIO requires agencies to submit a *Business Case Plan* for purchases over \$200,000, one has not been developed for statewide consolidation. This is contrary to the 22-page Business Case Plan the OCIO prepared for the Enterprise Email System.

Rather, consolidation started with a plan for six shared services as concluded from the Information Technology Optimization workshop in the Fall 2009, but is now in flux with the second of two reports from the 2010 Transformation and Consolidation Committee recommending full executive branch IT resources (including personnel) consolidation into a new state-level department. Consolidation efforts appear to be pending based on recommendations for a Governor's Executive Order and passage of enabling legislation to move forward.

According to many of the participating agencies to our survey, consolidation efforts were pushed through too quickly, provided incomplete or questionable data, and final results were never included in the two committee reports or discussed in detail with agencies' committee members. Agencies felt their concerns and criticisms of the process and data collection or analysis process were ignored. What appears to have been a measured approach toward consolidating six common services used by all agencies, the OCIO's push for full consolidation lacks a sufficient comprehensive assessment of system resources.

No coordinated efforts to carry out inventory policy or to use existing inventory data

With impacts of not having a clear and consistent IT resources inventory so far-reaching, we are particularly concerned about the lack of overall inventory planning and execution by the OCIO and the ITD.

As the statutorily designated head of state government information technology management, the OCIO is required to

conduct planning and provide guidance, advice, and consultation to executive branch agencies and the Legislative leadership on how to improve efficiencies and utilization of information technology resources. As such, this requires the OCIO, in concert with ITD, to obtain and retain data and information to be used to inform new technology adoption, enterprise projects, service rate setting, and purchasing decisions for state government. Central to this information management role, the OCIO should have updated easily searchable data on state information technology hardware, software, staffing, and other equipment related to providing the full range of IT services to the state.

Specifically, there are three main issues we found during our audit that illustrate these concerns: 1) the OCIO has not defined a consistent process, timeframe, or format for state agencies to contribute data toward a comprehensive inventory; 2) other available data that can contribute to the inventory are not currently reviewed/used consistently; and 3) the OCIO's responsibility for review and approval of IT purchasing, in concert with the Department of Administration and Information's Procurement Section, is not leveraged toward producing an ongoing, updatable rolling list for equipment inventory and useful life tracking.

No standard procedure to meet Policy 4100 As noted above relating to the OCIO's *Responsibility for Information Technology Resources Policy* (policy 4100), it notes the need for a consistent and thorough inventory process. However, the OCIO and the ITD admitted during our audit that there are no additional policies, standards, or more importantly procedures developed for agencies to follow to gather and report this information.

Since the OCIO and the ITD have ceased using an electronic means of inventorying (i.e. – *iInventory*), the process currently will be highly manual and time consuming for customer agencies. Therefore developing a clear direction and a consistent or routine time each year approved through the governance structure may help the OCIO, the ITD, and customer agencies plan and prioritize resources to complete the inventory with as little pain as possible.

No standard procedure to use existing inventory information from the SAO, Office of Risk Management, or individual agency inventory

As mentioned previously, information on Executive Branch IT resources exist within the SAO, Office of Risk Management, and individual agencies. However, the OCIO does not have policy related to the use or tracking of this inventory for planning and other purposes. The lack of such policy can cause problems for those agencies wishing to provide inventory data for operating and tracking needs.

For example, with the absence of clear, consistent direction from the OCIO, some agencies stated that when they attempted to submit their inventories to the OCIO, they were met with resistance. More specifically, the manner in which inventory should be communicated to the OCIO was not clearly articulated. In all, agencies noted their frustration with having to take time and resources away to meet the OCIO's requirements that are not clearly communicated.

It appears that ITD and the OCIO are neglecting to use existing inventory information for planning and other purposes. At a minimum, it should routinely review the sources of information noted above as it moves forward with future planning and consolidation.

Agencies not satisfied with inventorying process

Finally, it appears that surveyed entities are not satisfied with the inventorying process by ITD and the OCIO.

ITD: Fourteen (14) or 25% of surveyed agencies believe ITD is effective related to developing an inventory of computer hardware and software; 17 or 30% believe ITD is not effective; and eight (8) or 14% believe ITD is somewhat effective.

Eleven (11) or 19% of surveyed agencies believe ITD is effective related to developing an inventory of data centers and servers; 12 or 21% believe ITD is not effective; and 14 or 25% believe ITD is somewhat effective.

OCIO: Nine (9) or 16% of surveyed agencies believe OCIO is effective related to developing an inventory of computer hardware and software; 16 or 28% believe OCIO is not effective; and ten (10) or 18% believe OCIO is somewhat effective.

Eight (8) or 14% of surveyed agencies believe OCIO is effective related to developing an inventory of data centers and servers; 17 or 30% believe OCIO is not effective; and 9 or 16% believe OCIO is somewhat effective.

The following table provides noteworthy comments from surveyed agencies.

Table 2.1
Agency Comments Related to Inventory Efforts

Comment Number	Comment
Comment #1	<i>“Our agency has reviewed the statistics provided by the OCIO in regards to the IT consolidation initiative, which listed the IT equipment maintained by our office. At a couple of IT Consolidation meetings, our agency indicated that the information contained in the report was inaccurate and offered clarification to the OCIO so inventory items could be corrected (example—number of servers maintained by our agency was substantially overstated). Other agencies also voiced their concern at the IT Consolidation meetings about their inventory numbers being incorrect. Questions were asked at the IT consolidation meeting as to how the inventory count was gathered, however, the only response from the OCIO was that the numbers would be reviewed. To our knowledge, inventory numbers remain incorrect yet conclusions outlined in the final report were based on this incorrect information.”</i>
Comment #2	<i>“The software provided was slower than our software, ran too often, was useless for internal purposes, and slowed down the computer response time to the point of frustrating users.”</i>
Comment #3	<i>“There is little flexibility on their part to use the existing agency data that is collected with our tools. Our tools far exceeded the capabilities and accuracy that the OCIO utility provides. This is a sore point, every year when we have to extract from our data from our tools and, format it to match the format the OCIO expects of this mandatory requirement. Very cumbersome and non-customer friendly experience across this agency.”</i>
Comment #4	<i>“There was considerable effort put in by my staff to produce the data for the Consolidation committee, and I haven’t seen any evidence that the data was useful or even used in the final analysis of Enterprise IT Consolidation. This opinion could well be influenced by the lack of communications that comes out of both ITD and the OCIO on this issue.”</i>
Comment #5	<i>“We believe ITD has done a somewhat effective job in helping the OCIO and agencies identify and acquire the appropriate tools necessary to collect this information.”</i>

Comment Number	Comment
Comment #6	<p><i>“Due to the rapidly evolving nature of technologies and individual work unit requirements, developing a comprehensive statewide inventory of all hardware and software is challenging for individual agencies alone. Given the wide variety of funding sources that exist, this challenge is compounded when trying to account for all technologies that reside throughout the state.</i></p> <p><i>With significant assistance from agencies, we believe the OCIO has done a somewhat effective job of maintaining this information.”</i></p>
Comment #7	<p><i>“A software was purchased by ITD but wasn’t effective in doing the inventory as a result the inventory was not done for a couple of years.”</i></p>
Comment #8	<p><i>“I cannot speak to the overall inventory; however, it does appear that the OCIO’s inventory counts are accurate for this agency.”</i></p>
Comment #9	<p><i>“ITD and the CIO both attempted to develop an inventory of computer hardware and software across agencies. The request for information was distributed to agencies and then retracted almost immediately because the mechanism they chose to obtain the information was flawed.”</i></p>
Comment #10	<p><i>“We are only aware that ITD previously provided the software to inventory IT assets. They did this without user guidance or support.”</i></p>

Source: Legislative Service Office from information provided by surveyed agencies.

Recommendation: The OCIO and ITD, should develop a clear and consistent inventorying process for state executive branch agencies; a comprehensive inventory should be conducted at least once each biennium to help assist in biennial budget preparations and in the development of the Wyoming State Biennial Technology Plan.

CHAPTER 3

Rate Setting Process Established but Lack of Consistency with Establishing Revenue Codes

Finding 3.1: ITD’s rates are derived from a complex forecasting model, but its historic expenditure levels are not assessed for inefficiencies or excesses prior to input into the model; we cannot validate whether ITD is spending excessively.

ITD uses a proprietary computer forecasting model (the Comprehensive Rate Information System – or CRIS model) into which it inputs cost and service utilization data in order to predict rates for each biennium. These rates are used to charge customer agencies monthly for rendered services.

Maximus Consulting Services, Inc. provides this software and also assists ITD by bringing its extensive background on other states’ issues to help keep the ITD’s practices up-to-date and effective. This assistance included two recent site visits to Wyoming in the Fall of 2008 to first work through ITD’s reorganization and again in the Fall of 2010 to assess the rate setting model’s integrity as a result of modifications made from the Division’s reorganization in 2008.

Although ITD uses a federally approved consultant’s rate-setting forecast model on which to base its rates, it sometimes varies from recommended rates produced by the model. According to ITD officials, *“rates may have to be adjusted in order to stay competitive and to satisfy policy objectives.”*

Varying from recommended rates may fuel agency perceptions that the rate setting process is somewhat arbitrary. In addition, ITD has recently restricted agency participation in the process, which may increase the perception among customer agencies that its rates are excessive, particularly related to feelings of poor

customer service and service quality.

ITD has authority to establish rates and charge agencies for IT services and undergoes annual federal audits

ITD is a self-funded service division where its revenue is generated through charge back rates and fees for when customer agencies utilize ITD for services. Contrary to most state agencies, ITD relies on customer agencies to pay for various IT services it provides. Ultimately, ITD requests spending authority out of its Internal Service Fund (I01) rather than actual cash appropriations via the General Fund.

W.S. 9-2-1003 (d) provides the authority to the Department of Administration and Information to bill state agencies. In addition, W.S. 9-4-204 (t) (ii) (B) explains the nature of an internal services fund. It states *“Internal service fund-to account for the financing of goods or services provided by one (1) department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.”*

Also, ITD’s rate setting process is audited annually by the Department of Health and Human Services. Audits occur because many of the division’s customer agencies expend federal funds to pay for various program expenses, including IT expenses. Therefore the federal government expects that federal funds will be treated fairly and equitably with state or other monies that may also contribute to program operations.

For example, the Division of Cost Allocation reviews the OMB Circular A-87 cost reports to ensure they balance to the Wyoming State Auditor’s Comprehensive Annual Financial Report (CAFR). The circular provides state, local, and Indian tribal governments with guidance related to cost principles and procedures for developing cost allocation plans for agreements with the federal government.

The federal cost negotiator analyzes the excess fund balances by reviewing in detail the expenses incurred by ITD, revenue collected from agencies and the profit (loss) for each billable service. In other words, the federal cost negotiator is determining whether ITD is charging *“fair and equitable rates”* to agencies who receive federal funds.

According to ITD officials, it has not processed a refund check back to the federal government since 1988 (overcharged agencies by \$1 million). Officials also stated that it has not had an excess fund balance since fiscal year 2001, when it had to return money back to its customers. Since 2001, ITD has adjusted rates accordingly, to ensure it does not make a profit that would place it in “*over-collection status*” with the federal government.

See Tables 1.1 through 1.2 in the Background section of this report for a more detailed description of the timeline and steps in the rate setting process. Also, Appendix B for the BFY 2011 rate schedule.

ITD lacks transparency of its rate setting and forecasting processes and does not utilize all necessary information to project as accurate rates as possible

There are three components to having accurately and consistently set rates: 1) using accurate and full cost and service utilization input data; 2) staying true to what the model output recommends re: rate establishment; and 3) communicating clearly to its customers how the model is used and how the rates are assessed and finally set.

During our audit, we found that the ITD has not fully followed these three principles to the best of their ability and responsibility. Some factors are within their control while others are more complicated.

Inventory data to assess user needs

As noted in the previous chapter and finding, a primary responsibility for ITD (and the OCIO) is to use accurate and updated inventories of customer agencies’ IT resources. This helps ITD to set rates that are based on historical usage and other data. For example, understanding the service requirements of each agency, as well as the usage and age of existing equipment, will help to determine future IT needs.

An example of the need for this type of information, according to the ITD, is related to the equipment service center arena. Basically, as equipment ages or breaks, it becomes increasingly difficult for ITD to service that equipment or to upgrade programs commensurate with an agency’s evolving business

requirements.

Therefore ITD should constantly be aware of significantly older or sub-standard equipment that is expected to fail during an upcoming biennium so that it can proceed quickly with repairs or recommend replacement. In other service areas, such as application development or network assistance plan services, inventory information is useful to more quickly and consistently address service requests for routinely problematic equipment or programs.

Fidelity to the forecast model One of the more surprising issues we identified is related to the preliminary and final rate review process conducted within the ITD and the Department. More specifically, we found that some rates are set according to administrative feasibility concerns brought out under the internal review, as opposed to rates recommended through the CRIS forecast model.

Some examples of why rates may vary from Model recommendations include the following:

- Possible exception budget items might have to be lowered based on anticipated utilization of that service and the rate being set too high for the market to bear;
- Some services do not show a high utilization factor so those services might be removed; and
- New services determined or rate scheme established.

Several examples where rates may not meet full recovery costs include e-mail, mainframe, and video-conferencing rates.

First, the ITD noted that Department reviewers used discretion in setting e-mail rates in preparation for the BFY 2009 biennium. During that review, it was noted that the recommended rate from the forecast model was significantly higher than the previous biennium. Upon review by the Department's team, the BFY 2009 e-mail rates were set at the previous biennium's rates.

Though the ITD was working with the OCIO on implementing the enterprise (statewide) e-mail initiative, the Department felt that an increase in costs to customer agencies was not reasonably bearable compared to the state's budgetary outlook. Therefore, these rates were purposely set at less-than-model-recommended

levels. Oddly enough, despite this reasoning, the OCIO later requested and was appropriated over \$5 million in an exception budget request for BFY 2011 to help cover the full cost of implementing the statewide e-mail project that was originally phased in agency-by-agency.

With the second example, related to mainframe services, many agencies responding to our survey noted that the mainframe service rates are getting out of hand. This is partially due to some agencies gradually moving their operating programs off the mainframe to server-based platforms. With a decreasing customer base, the cost for each remaining agency using the mainframe goes up.

ITD stated that it is not able to scale down the mainframe “*box size*” until more agencies move off the platform, which will then reduce costs down the line. This indicates that the ITD is attempting to recover its costs. However, the rates remain dependent not only on mainframe use, but also on the standard fixed cost of the current mainframe.

Finally, the ITD stated that it is keeping video-conferencing rates at below cost recovery levels to maintain a steady customer base. This is in large part due to an instate competitor (the University of Wyoming) which can offer their services at cheaper rates.

While the ITD is statutorily required to recover its operating costs, the University receives a General Fund block grant, which essentially allows it to subsidize operations for video-conferencing services. Currently, ITD’s video-conferencing is a service for which the ITD cannot fully recover its costs, which creates an environment where services have to be scaled back at some locations to prevent elimination of the entire service.

*ITD Education and
Training of Customer
Agencies*

The last area of concern we have related to the rate setting process is how ITD interacts with its customer agencies. For example, between the BFY 2009 and BFY 2011 rate setting processes were modified.

According to the ITD, the rate setting process with respect to agency involvement changed during the BFY 2009 and BFY 2011 rate setting processes as follows:

BFY 2009: The ITD met with each customer agency separately and gave presentations and explanations on its service rate structure after the preliminary rates had been set and agencies were given their rate/cost estimation sheets. The customer agencies then responded to their rate/cost estimation sheets with corrections to the ITD's estimate of their anticipated service usage and the ITD revised its rates for final approval.

BFY 2011: While the ITD began gathering its own data it requested that customers submit their anticipated service usage data to ITD prior to agencies receiving their preliminary rate/cost estimation sheets. The ITD then met only with agencies that specifically requested formal meetings to go over the preliminary rate/cost estimation sheets before final and approved rates were set.

Although ITD stated that the BFY 2011 process was more efficient, it eliminated the interaction with every agency as was done the previous biennium. This appears to have saved ITD some time, but may have caused agencies to miss out on information that may have been available to all agencies, had they been required to attend rate setting meetings.

As the rate setter and service supplier, it is incumbent upon ITD to remain proactive and keep its customers completely informed throughout the rate setting process.

Twenty-five percent (25%) of surveyed agencies believe the rate setting process is not clear and 20% of respondents stated that rates are excessive

According to our survey of customer agencies, we identified that some agencies believe that rates are excessive and that the process by which rates are set is not clear. For example, 14 or 25% of the 57 respondents to our survey stated that the rate setting process was not clear. Eleven or 19% of respondents stated that the rate setting process was clear while 25 or 44% stated the process was somewhat clear.

In addition, 14 or 25% of respondents stated that established rates were reasonable, while 11 or 19% stated rates were not reasonable. Twenty-two or 39% of respondents stated that rates were somewhat reasonable.

The caveat to the above percentages is that they appear to be based more on perception than on actual first-hand accounts of rate problems. This is due to the fact that generally speaking, agencies' administrative and internal IT support staffs responded to our survey, not agencies' fiscal staff, which may be more knowledgeable about the whole rate setting process.

Additionally, we found during our audit that a big concern noted by several agencies may not be well founded – that the ITD frequently raises rates without consideration of impact to its customers. Table 3.1 summarizes ITD's in-biennium rate adjustments made from BFY 2005 to the present (end of April 2011). It actually shows that ITD has not increased rates during a biennium since 2008 and has adjusted rates lower in recent years.

Table 3.2 provides a summary of B-11s that impact rates of agencies (based on service usage) from BFY 2005 through BFY 2011 related to Master Service Agreements.

Table 3.1
ITD Rate Adjustments (made *after* biennial rates were approved)
BFY 2005 to BFY 2011 (as of end of April 2011)

Fiscal Year	Rate Adjustment with Explanation
2005	No rate adjustments
2006	No rate adjustments
2007	No rate adjustments
2008	<p>Three rate increases:</p> <ol style="list-style-type: none"> 1. Management Information System (MIS) Silver Support went from \$156 per year, per computer to \$190 per year per computer. 2. Equipment Service Center (ESC) support went from \$120 per year, per computer to \$125 per year, per computer. 3. NotifyLink (e-mail push to PDA devices) went from \$18 per month, per device to \$36 per month, per device.
2009	No rate adjustments
2010	<p>Three rate reductions (<i>precipitated on the Governor's 5-10% state budget reduction plan for FY 2010</i>):</p> <ol style="list-style-type: none"> 1. In-state calling rate went from \$0.15 per minute to \$0.13 per minute. 2. Desk phone set charge went from \$20 per month to \$18 per month 3. Network connections charge went from \$40 per month to \$38 per month

Fiscal Year	Rate Adjustment with Explanation
2011	One rate reduction/removal: 1. Removed separate rate for VPN (virtual private network) services for agencies' contractors' or agency employees' network access from a facility not on the state's network. Regular network rates were not impacted.

Source: Legislative Service Office from information provided by ITD.

Table 3.2
B-11 Amounts Resulting from ITD Rate Changes
BFY 2005 to BFY 2011 (as of end of April 2011)

Year	B-11 Identification Number	Purpose of B-11	Dollar Amount
2005	5422	*MSA Program	\$1,500,000.00
2005 Total			\$ 1,500,000.00
2007	7061	MSA Program	\$ 2,000,000.00
	7140	MSA Program	\$ 6,000,000.00
2007 Total			\$ 8,000,000.00
2009	9213	MSA Program	\$ 3,000,000.00
	9419	MSA Program	\$ 3,000,000.00
2009 Total			\$ 6,000,000.00
2011	11023	**Wyoming Education Network	\$ 11,200,967.00
2011 Total			\$ 11,200,967.00
			\$ 26,700,967.00
			\$ 26,700,967.00
Grand Total			\$ 26,700,967.00

Source: Legislative Service Office from information provided by ITD.

* Without a complete inventory, ITD/OCIO may not be able to anticipate the need of its customers for MSA services. Also, it appears that agencies do not conduct or do not submit their own assessment of anticipated MSA services they will use in an upcoming biennium prior to submittal of their own exception requests that are approved by the Legislature separately by each agency. This all precipitates constant guessing as to MSA use and multiple B-11 authorizations once MSA-type exception requests are summarized after approval. The only real caveat is that the OCIO is supposed to approve agencies' IT-related exception requests each biennium and the above situation would imply that the ITD is not privy to this type of agencies' request information during the rate setting process.

**Approved, but not expended.

Even with these few rate adjustments over the previous biennia, ITD admits that it needs to work on staying truer to the forecast model so that it may fully recover costs at the individual service level rather than having to subsidize services through the General Fund. By doing so, this will provide its customer agencies with greater assurance that the ITD is being more forthright and accurate in accounting for the true cost of services.

Although rate increases appear infrequent, agencies distrust ITD and the OCIO

It appears that even limited rate adjustments as discussed above, have significantly impacted agency perceptions of ITD and the OCIO as secretive agencies that impact everyday operations. However, it should also be noted that some of the comments or concerns from agencies may not be based on complete information, or that comments may be based on comparing private in-home or office use to agency-wide IT systems.

For example, ITD noted that the complex network infrastructure it maintains and monitors for the Executive Branch cannot be operated the same as any personal computer set-up within an individual's home. The network and security standards or thresholds are much greater and require corporate or commercial-style equipment, software, and management techniques. Inherently, these costs will be greater.

In addition, due to the variety of agencies serviced by ITD and its particular hardware and software needs to meet program requirements, the State must be prepared with a cadre of vendors, including the ITD, to upgrade and maintain agencies' IT systems. This speaks to ITD's management of Master Service Agreements with third-party vendors to augment ITD and agencies' technology staff for certain jobs. As such, the ITD must provide administrative oversight and coordination to make sure agencies have ready access to these vendors throughout the biennium.

For both of the noted comparison issues, it leads to additional difficulties trying to compare "apples-to-apples" among ITD-like agencies from other states; each state's service regimen and allocation principles are not the same for accurate comparisons.

Recommendation ITD should establish rates at the levels recommended from the CRIS software. If rates need adjustment because of unplanned factors, ITD should document the reasons and update customer agencies accordingly. Updates can be provided during the biennial rate-setting process and throughout the biennium if needed.

Finding 3.2: ITD establishes revenue authorities for budget units that are not utilized

For the past three biennia ITD has established multiple revenue authorities (accounts) for budget units in WOLFS; accounts which have never received any revenue. Rather, it uses two accounts for expenditures of agency payments from the Internal Service Fund (Fund I01): BU 4001 (Administrations) and BU 4052 (Telephone Operations).

As a result, ITD is not able to appropriately reconcile receipted revenue with actual expenses of various budget units established within its own financial system. In addition, the current method used by ITD for loading revenue into WOLFS is not consistent with the third and fourth principles in the accounting conceptual framework (US GAAP) as follows.

Matching principle. Expenses should be matched with revenues as long as it is reasonable to do so. Expenses are recognized not when the work is performed, or when a product is produced, but when the work or the product actually makes its contribution to revenue. Only if no connection with revenue can be established, cost may be charged as expenses to the current period (e.g. office salaries and other administrative expenses). This principle allows greater evaluation of actual profitability and performance (shows how much was spent to earn revenue). Depreciation and Cost of Goods Sold are good examples of application of this principle.

Full Disclosure principle. Amount and kinds of information disclosed should be decided based on trade-off analysis as a larger amount of information costs more to prepare and use. Information disclosed should be enough to make a judgment while keeping costs reasonable. Information is presented in the main body of financial statements, in the notes or as supplementary information

ITD maintains a separate accounting of revenues and expenditures

It should be noted that ITD does keep a separate accounting of revenues and expenditures, which is capable of matching revenue and expenses for the same period. However, the problem relates to the fact that the presented financial data (in WOLFS) does not match revenue and expense records maintained by ITD; nor does it present the accounting data in a clear, concise and easy to understand format.

More specifically, ITD separates its appropriations into numerous units within its own financial system to show funding through the Internal Service Fund (Fund I01).

The budget units used by ITD are as follows:

- BU 4001 (ITD Administration)
- BU 4002 (Technology Business Services)
- BU 4005 (Technology Support)
- BU 4006 (Enterprise Technology Development)
- BU 4007 (Technical Operations)
- BU 4011 (Field Services)
- BU 4051 (Network Services)
- BU 4052 (Telephone Operations)
- BU 4054 (Education Network)

However, an ITD official also stated that *“When we interface internal billing systems with the general ledger to collect the monies owed, we can only show those deposits into two different units; unit 4001 for computer services and unit 4052 for*

telecommunication services and not by the units as represented for budgeting purposes.”

They also stated that the Department’s Accounting Office uses older software (Legacy), which is not capable of loading multiple revenue streams into the revenue accounts established in WOLFS. In other words, according to ITD the *“problem is with the accounts receivable system that is maintained by the A&I Accounting Office not ITD’s billing system.”* ITD is able to extract data from its billing systems to send to the Accounting Office, which is then loaded into the Legacy accounts receivable software. ITD also stated the Accounting Office is currently looking into replacing that system.

The following tables below demonstrate revenue codes for various budget units that are not currently utilized by ITD, but are established within WOLFS.

Table 3.3
BFY 2005
ITD (Budget Unit 4000)

Fund	Unit	Revenue Code	Revenue Authority	Revenue Received
001	4022	7338	\$ 150,000.00	\$ 0
I01	4004	5603	\$ 1,957,550.00	\$ 0
I01	4005	5603	\$ 3,868,545.00	\$ 0
I01	4006	5603	\$ 3,431,064.00	\$ 0
I01	4006	6307	\$ 133,527.00	\$ 0
I01	4007	5603	\$ 8,019,907.00	\$ 0
I01	4007	6621	\$ 1,116,000.00	\$ 0
I01	4008	5603	\$ 430,429.00	\$ 0
I01	4008	6621	\$ 10,000.00	\$ 0
I01	4011	5601	\$ 1,710,119.00	\$ 0
I01	4051	5603	\$ 5,287,030.00	\$ 0
I01	4051	5606	\$ 32,945.00	\$ 0
I01	4051	6621	\$ 465,955.00	\$ 0
I01	4052	6621	\$ 233,000.00	\$ 0
I01	4053	5606	\$ 5,760.00	\$ 0
I01	4054	5614	\$10,500,000.00	\$ 0
		Total	\$37,351,831.00	\$ 0

Source: Legislative Service Office from information provided by WOLFS.

Table 3.4
BFY 2007
ITD (Budget Unit 4000)

Fund	Unit	Revenue Code	Revenue Authority	Revenue Received
I01	4002	5603	\$ 777,626.00	\$ 0
I01	4005	5603	\$ 5,160,719.00	\$ 0
I01	4006	5603	\$12,815,855.00	\$ 0
I01	4007	5603	\$ 8,785,337.00	\$ 0
I01	4010	5603	\$ 816,517.00	\$ 0
I01	4011	5601	\$ 1,863,325.00	\$ 0
I01	4051	5603	\$ 3,836,389.00	\$ 0
I01	4051	5615	\$ 1,319,915.00	\$ 0
		Total	\$35,375,683.00	\$ 0

Source: Legislative Service Office from information provided by WOLFS.

Table 3.5
BFY 2009
ITD (Budget Unit 4000)

Appropriation	Unit	Revenue Code	Current Budget	Total Revenue
I01	4002	5603	\$ 1,136,538.00	\$ 0
I01	4002	5615	\$ 9,140.00	\$ 0
I01	4005	5603	\$ 7,366,503.00	\$ 0
I01	4006	5603	\$17,253,702.00	\$ 0
I01	4007	5603	\$ 9,457,595.00	\$ 0
I01	4010	5603	\$ 1,554,022.00	\$ 0
I01	4011	5601	\$ 983.00	\$ 0
I01	4011	5603	\$ 2,317,313.00	\$ 0
I01	4051	5603	\$ 7,025.00	\$ 0
I01	4051	5606	\$ 8,286,773.00	\$ 0
I01	4051	5615	\$ 7,051.00	\$ 0
		Total	\$47,396,645.00	\$ 0

Source: Legislative Service Office from information provided by WOLFS.

Revenue received far exceeds revenue authority established for two primary budget units

In contrast, ITD has established revenue authorities related to Budget Unit 4001 and Budget Unit 4052 for much less than the revenues that were actually received. As a result, the reporting of actual expenditures is consistently not presented in a consistent and clear manner with respect to revenues.

The following provides additional information:

BFY 2005

- Revenue authority established for \$1,956,283 versus total revenue received of \$24,710,527 from RSRC 5603 (Computer Services).
- Revenue authority established for \$13,501,966 versus total revenue received of \$26,915,274 from RSRC 5606 (Telephone Services).

BFY 2007

- Revenue authority established for \$3,130,391 versus total revenue received of \$32,270,174.69 from RSRC 5603 (Computer Services).
- Revenue authority established for \$13,289,770 versus total of \$35,957,810.17 from RSRC 5606 (Telephone Services).

BFY 2009

- Revenue authority established for \$2,190,902 versus total revenue received of \$39,777,976.94 from RSRC 5603 (Computer Services).
- Revenue authority established for \$13,826,436 versus total revenue received of \$32,635,864.64 from RSRC 5606 (Telephone Services).

WOLFS is the standard accounting system for Executive Branch agencies

Although ITD keeps separate books which do match revenue with expenses from the same time period the reported values in WOLFS are not consistent; this causes the accounting information in WOLFS to be unclear. In addition, since revenue and expenses are not tracked precisely, transparency related to year-over-year comparability and consistency is reduced.

The WOLF accounting system is the standard for collection, synthesis and reporting financial transactions by state agencies. As a result separate budgeting software used by agencies must be compatible with the WOLFS system. Budgeting software used by agencies must be flexible enough to meet the needs of the agencies and still be fully compatible with the accounting conceptual framework and standards adhered to by the State of Wyoming.

Recommendation The Department should work with the State Auditor's Office to discuss possible updates or replacement of existing software to include features fully compatible with the State's accounting system.



CHAPTER 4

Customer Service and Satisfaction

Finding 1: Agency satisfaction with ITD and OCIO is mixed

There is no doubt that Executive Branch agencies, boards, and commissions deal extensively with ITD and the OCIO related to their IT service needs. Of our surveyed entities, 51 or 89% stated they use ITD for these services. Six (6) or 11% stated they do not use ITD.

The confusion however, exists with respect to assuming that because agencies are upset with a few services, there is overall dissatisfaction with provided services. These salient areas include ITD rate setting, the approval process for purchasing IT related services and equipment, and current efforts to move towards consolidation. In addition, it is often difficult for agencies to distinguish their satisfaction and dissatisfaction when discussing ITD and the OCIO.

As a result, it is a challenge to determine exactly how agencies and other entities feel overall, because of antagonistic feelings with respect to the aforementioned areas.

LSO survey showed mixed results often complicated by agencies not answering the questions asked

Generally, LSO's survey of Executive Branch agencies, boards, and commissions provides snapshots of agency satisfaction related to various issues. In addition, it provides a general sense of agency satisfaction with respect to technical services, once provided. Examples of technical services include the following: mainframe application; anti-virus protection; support for database migration; web application integration; staff augmentation; etc.

However, because of incomplete or unclear responses from surveyed entities across all areas, we were not able to comment overall on whether agencies are completely satisfied with ITD and the OCIO. We are however, able to comment on various

service areas where agencies do have concerns, as well as supplementing those areas with specific agency comments.

From our analysis of this data, it also appears that overall satisfaction often takes a back seat when agencies are most verbal about issue areas that impact them.

For example, the following table provides information on agency satisfaction related to ITD service areas, once technical services are provided. It basically shows that agencies appear to be satisfied or somewhat satisfied with provided services 80% of the time. In addition, the table shows that agencies who received services stated 75% of those services were provided in a timely or somewhat timely manner. However, the comments we reviewed in our survey were primarily negative related to other areas.

This illustrates how positive information such as below, is often pushed to the side because agencies are upset about other areas.

Table 4.1
Agency Comments Related to Satisfaction of Technical Services Once Provided

Survey Number	Services	Satisfaction	Satisfaction (Somewhat)	Not Satisfied	Timeliness	Timeliness (Somewhat)	Not Timely
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	6	4 (67%)	2 (33%)	0	6 (100%)	0	0
3	8	0	5 (63%)	3 (37%)	0	7 (88%)	1 (12%)
4	9	7 (78%)	1 (11%)	1 (11%)	7 (78%)	1 (11%)	1 (11%)
5	12	4 (33%)	6 (50%)	2 (17%)	4 (33%)	3 (25%)	5 (42%)
6	6	3 (50%)	3 (50%)	0	3 (50%)	3 (50%)	0
7	2	2 (100%)	0	0	2 (100%)	0	0
8	2	1 (50%)	1 (50%)	0	1 (50%)	1 (50%)	0
9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	6	6 (100%)	0	0	5 (83%)	1 (17%)	0
11	5	5 (100%)	0	0	5 (100%)	0	0
13	8	3 (38%)	4 (50%)	1 (12%)	5 (63%)	2 (25%)	1 (12%)
13a	7	1 (14%)	3 (43%)	3 (43%)	0	1 (14%)	6 (86%)
13b	6	4 (66%)	1 (17%)	1 (17%)	3 (50%)	1 (17%)	2 (33%)
14	1	1 (100%)	0	0	0	0	0
15	10	5 (50%)	3 (30%)	2 (20%)	8 (80%)	0	2 (20%)
16	8	8 (100%)	0	0	6 (75%)	2 (25%)	0
17	2	1 (50%)	1 (50%)	0	2 (100%)	0	0
18	14	7 (50%)	5 (36%)	2 (14%)	7 (50%)	6 (43%)	1 (7%)

Survey Number	Services	Satisfaction	Satisfaction (Somewhat)	Not Satisfied	Timeliness	Timeliness (Somewhat)	Not Timely
19	4	0	2 (50%)	2 (50%)	0	2 (50%)	2 (50%)
20	5	0	2 (40%)	3 (60%)	0	2 (40%)	3 (60%)
21	3	3 (100%)	0	0	3 (100%)	0	0
22	N/A	N/A	N/A	N/A	N/A	N/A	N/A
23	2	0	2 (100%)	0	0	1 (50%)	1 (50%)
25	2	1 (50%)	1 (50%)	0	1 (50%)	1 (50%)	0
26	2	0	2 (100%)	0	0	2 (100%)	0
27	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	10	10 (100%)	0	0	10 (100%)	0	0
29	15	7 (47%)	4 (27%)	4 (27%)	8 (57%)	4 (29%)	2 (14%)
30	10	1 (10%)	7 (70%)	2 (20%)	2 (20%)	2 (20%)	6 (60%)
31	9	9 (100%)	0	0	9 (100%)	0	0
32	6	6 (100%)	0	0	6 (100%)	0	0
33	1	1 (100%)	0	0	1 (100%)	0	0
34	2	2 (100%)	0	0	2 (100%)	0	0
35	7	0	7 (100%)	0	0	7 (100%)	0
36	6	0	2 (33%)	4 (67%)	1 (16%)	1 (17%)	4 (67%)
38	7	2 (29%)	3 (42%)	2 (29%)	5 (71%)	0	2 (29%)
39	10	2 (20%)	7 (70%)	1 (10%)	2 (20%)	4 (40%)	4 (40%)
40	4	1 (25%)	3 (75%)	0	2 (50%)	1 (25%)	1 (25%)
41	4	1 (25%)	2 (50%)	1 (25%)	1 (25%)	2 (50%)	1 (25%)
43	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	12	0	5 (42%)	7 (58%)	0	3 (25%)	9 (75%)
47	4	2 (50%)	2 (50%)	0	3 (75%)	1 (25%)	0
48	2	0	1 (50%)	1 (50%)	0	1 (50%)	1 (50%)
49	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	2	0	1 (50%)	1 (50%)	0	1 (50%)	1 (50%)
51	2	0	1 (50%)	1 (50%)	0	1 (50%)	1 (50%)
52	1	1 (100%)	0	0	1 (100%)	0	0
53	6	3 (50%)	1 (17%)	2 (33%)	4 (66%)	1 (17%)	1 (17%)
54	11	5 (46%)	2 (18%)	4 (36%)	2 (18%)	4 (36%)	5 (46%)
55	12	6 (50%)	3 (25%)	3 (25%)	6 (50%)	3 (25%)	3 (25%)
56	4	3 (75%)	0	1 (25%)	3 (75%)	0	1 (25%)
57	N/A	N/A	N/A	N/A	N/A	N/A	N/A
58	1	0	0	1 (100%)	0	0	1 (100%)
59	1	0	0	1 (100%)	0	0	1 (100%)
60	3	2 (67%)	1 (33%)	0	2 (67%)	1 (33%)	0
Total	282	130 (46%)	96 (34%)	56 (20%)	138 (49%)	73 (26%)	69 (25%)

Source: Legislative Service Office from information provided by surveyed agencies.

*We used "NA" for agencies that did not provide specific information related to Question #1 of the survey.

Where we could identify complete responses in our survey, we also found where agencies were generally satisfied with ITD customer service and timeliness. More specifically, there was satisfaction with the HEAT ticketing system, telephone correspondence, and email correspondence. The following provides more specific information with respect to these areas.

Agencies were also satisfied with the following areas:

HEAT: Forty-three (43) or 75% of surveyed agencies were either satisfied (54%) or somewhat satisfied (21%). Forty-two (42) or 74% were either satisfied (51%) or somewhat satisfied (23%) with the timeliness of HEAT.

Telephone Correspondence: Forty-four (44) or 77% of surveyed agencies were either satisfied (47%) or somewhat satisfied (30%). Forty-six (46) or 81% were either satisfied (46%) or somewhat satisfied (35%) with the timeliness of telephone correspondence.

Email Correspondence: Forty-three (43) or 75% of surveyed agencies were either satisfied (47%) or somewhat satisfied (28%). Forty-three (43) or 75% were either satisfied (49%) or somewhat satisfied (26%) with the timeliness of email correspondence.

Agency Dissatisfaction: Although agencies appear to show satisfaction with various technical services once provided, we also found where agencies are not happy related to other areas that perplex or confuse them. Our review of completed surveys showed that agencies chose to comment on issues that caused the most concern or frustration.

The following provides additional information on selected service areas.

Rate Setting: Eleven (11) or 19% of surveyed entities stated that ITD's rate setting process is clear; 14 or 25% stated that ITD's rate setting process is not clear; and 25 or (44%) stated that ITD's rate setting process is somewhat clear.

Fourteen (14) or 25% of surveyed entities stated that ITD's rates are reasonable; 11 or 19% state that ITD's rates are not reasonable; and 22 or 39% stated that ITD's rates are somewhat reasonable.

The following table provides noteworthy comments by surveyed agencies.

Table 4.2
Agency Comments Related to Rate Setting

Comment Number	Comment
Comment #1	<i>"Although we do try to compare budget rate settings each biennium, rates vary from biennium to biennium as ITD changes items being included or excluded from the prior biennium estimates. Rates change without much explanation (example—email rates) so we must basically accept the rate settings as presented."</i>
Comment #2	<p><i>"When compared to the public sector, some of ITD's rates appear to be well above "reasonable and customary". Cost savings are rarely, if ever, passed on to agencies. However, agencies are required to absorb cost increases within their budgets. The following are two examples of excessive rate charges our agency has experienced:</i></p> <p><i>1) In 2005, agencies were told that the mainframe would be discontinued and no longer supported, although the mainframe still exists today. ITD had instructed our agency to begin preparations to transition one of our systems, which was written by ITD using mainframe Focus, to a program that would no longer reside on the mainframe. We received a verbal quote of approximately \$1 million for ITD to rewrite the program using a stand-alone program. This seemed excessive and since we did not have sufficient budget authority to move in this direction, we decided to continue using the current mainframe program until another solution could be implemented. In the meantime, as other agencies migrated off of the mainframe, our mainframe costs increased. When we questioned the rise in cost, we were told by ITD that since there were fewer agencies using the mainframe, costs associated with that platform would have to be absorbed by the remaining agencies. Our mainframe costs at that time were approximately \$375,000 per biennium. We have since purchased a stand-alone program, which is used by many other state unclaimed property programs. Since moving from the mainframe program to an option outside of ITD, our total costs for our system have dropped to approximately \$72,000 per biennium. That is a \$303,000 savings, per biennium.</i></p> <p><i>2) Due to excessive costs, we recently discontinued another system, which ITD also built for our agency. Simple, moderate maintenance for the program was</i></p>

Comment Number	Comment
	<p>costing our agency over \$1,300 per month and the benefits of this program could no longer justify this cost.</p> <p>These are just a couple rate charge examples that we have experienced. We question the prudence of charging these types of excessive rates to state agencies (ITD customers) especially when customer service has been less than satisfactory.”</p>
Comment #3	<p>“These services appear to be grossly overpriced. The ITD processes are confusing from the outside looking in. In order to ensure more timely and accurate results, we directly contact existing relationships to supersede the ITD published processes. Internal communication between different workgroups within ITD appears to breakdown and operates in a silo.”</p>
Comment #4	<p>“In most cases, the issues with the above delivered services had nothing to do with the actual delivery, installation or configuration of the service. That has always been good. Timely long-term support and resolving unexpected issues have been the bigger problem. Of course, that is not withstanding some of the extremely high rates being charged for some of these services, especially when compared to similar programs in surrounding State governments. I have found our costs to be 200% higher, in some cases. A good example of that is the cost of application and Database access measured in the mainframe. When it costs \$7,000-\$9,000 per day to run our application and access our database that is a problem. Numerous times over the last 7-10 years, run-away programmer jobs, on the State mainframe, have cost us over \$50,000 for most occurrences... This is quite simply, unacceptable; both from the policy standpoint (no write-offs) and the extreme costs of an unintentional programmer error.”</p>
Comment #5	<p>“It is normally published when we are scheduled with our Budget Analysis, sometimes without much advance notice or time to question or prepare a response to the rate changes. We simply do not have any input into that process.”</p>
Comment #6	<p>“I have to be realistic and I do understand that ITD has to operate as a cost producing entity within State government. I do feel, as I have indicated earlier, some of the rates are unreasonable.”</p>
Comment #7	<p>“We generally understand the concept ITD uses to charge for services provided to agencies. What is often not apparent is how some of these rates are determined.”</p>
Comment #8	<p>“I think in general we assume that the rates are set based on a cost recovery model. That said, I don’t believe that we have ever been formally informed as to the actual rate setting process.”</p>

Comment Number	Comment
Comment #9	<i>“At one point the State was using GroupWise as the enterprise email system and ITD provide all of the technical support. Unfortunately they did not provide the support needed for our remote sites, and as a result we took over support for email for our agency. We provided the technical support, help-desk support and the hardware for all of our agency’s email. However, ITD continued to charge us the full rate for each email account, even though they were only providing licenses-no support, at any level. They also prevented us from upgrading the email to new releases, and this has left us running on a version that is no longer supported by the vendor, leaving us in a position where our email system may fail before we are moved to the new GMAIL system. This is completely unacceptable.”</i>
Comment #10	<i>“No, the methodologies established by A&I are not clear. Our agency pays a substantial amount to A&I each year and there is no clear benefit measured to the amount of money provided to A&I when compared to the cost of these services that are provided by the private sector. We have met with resistance from A&I in the past when inquiring about the cost associated with services provided by A&I. Our agency would certainly support any efforts to make the rate setting process transparent.”</i>
Comment #11	<i>“Developing more transparency in the interactions with agencies would help dispel some of these negative perceptions or correct fund shifting if it indeed does exist.”</i>

Source: Legislative Service Office from information provided by surveyed agencies.

Use of Purchasing and Other Information (ITD): Thirteen (13) or 23% of surveyed entities stated that ITD is effective when advising agencies when services or projects are not consistent with enterprise initiatives; 15 or 26% stated that ITD is not effective; and 16 or 28% stated ITD is somewhat effective.

Use of Purchasing and Other Information (OCIO): Eleven (11) or 19% of surveyed entities stated that ITD is effective when advising agencies when services or projects are not consistent with enterprise initiatives; 16 or 28% stated that ITD is not effective; and 14 or 25% stated ITD is somewhat effective.

The following table provides noteworthy comments by surveyed agencies.

Table 4.3
Agency Comments Related to Use of Purchasing and Other Information

Comment Number	Comment
Comment #1	<i>"The only advice that this agency has received form the OCIO on IT projects are their recommendations on Business Cases. Their recommendations have not dealt with technical issues but instead have addressed funding, i.e. Deny due to lack of available funding."</i>
Comment #2	<p><i>"When things are communicated, they are normally communicated through the ITCC. Unfortunately all agencies are not able to participate in all ITCC meetings. So, the information about enterprise initiatives is not always being communicated to al agencies.</i></p> <p><i>The other example of how things are communicated is reflected in the IT Consolidation Initiative and the Enterprise Email System. In both cases the CIO scheduled meetings and had the IT leaders from the agencies participate. The agencies were well represented at the meetings, but this may have been due to the importance of both of these initiatives to the agencies.</i></p> <p><i>While the meetings to select the email provider were useful, the communications since about the Gmail project (enterprise email) has been inadequate. There are decisions being made that change how the Gmail system will be implemented, and the agencies are not being allowed to participate in the decision making process."</i></p>
Comment #3	<i>"We have on several occasions been advised by the OCIO and ITD when our projects or some piece of them might be redundant or inconsistent with enterprise initiatives. In all cases, we have made attempts to accommodate the OCIO's goals. That said in many cases, the enterprise level projects have not been completed."</i>
Comment #4	<i>"I can see this being useful if we were to make some significant investment in an item which would completely contradict an upcoming statewide purchase (such as e-mail). For little items, this offers little value to our agency or constituents. At times they are very good if the standard requires little technical expertise. If what they are evaluating requires a high degree of expertise, one the standard is not in place, this takes agencies down a path that is not best practices."</i>
Comment #5	<i>"The State of Wyoming previously maintained a comprehensive list of standardized technologies for the mainframe, file and print servers, database servers, and Web technologies so that these systems could communicate and work together. Our agency went to great expense to develop our e-commerce systems based on Microsoft SQL database server, Internet Information Server</i>

Comment Number	Comment
	<p>for Web sites, and .NET programming languages, which were the agreed upon state standards.</p> <p>Once ITD discovered that alternate technologies were able to run on the mainframe, these technologies suddenly found their way into state systems without being vetted through the established IT Governance processes.”</p>
Comment #6	<p>“At times they have been able to coordinate between ITD and agencies while other times they have not been quite as effective.</p>
Comment #7	<p>“This agency does receive advice from the OCIO when we are not consistent with Enterprise initiatives. However, it has taken, up to 6 six months to receive this advice even once changes are made to be in accordance with the advice one project has still been rejected. For another contract, the OCIO staff added redundant and unnecessary language to the RFP. The staff member also asked this agency to change contract language on contracts that have already been signed by the AG. The OCIO staff member asked for changes to the contract language after the contract had, already been signed. In the end, this agency felt like the RFP issued was an embarrassment.”</p>
Comment #8	<p>“ITD and the OCIO advised us to remove software from the mainframe because it was going to be eliminated. As agencies migrated off of the mainframe we were one of the few remaining agencies still utilizing this service. ITD raised our rates, which further increasing the need for us to find another solution. We chose a private company's software product. We transitioned off of the mainframe and have been running successfully for two and half years on our alternate solution. Since the mainframe is still in existence today, we question why we were told to move off of it.”</p>
Comment #9	<p>“The OCIO/ITD had an agreement with the agencies to keep GroupWise as the sole email system for the state agencies until such time that it made sense to choose another system. The OCIO/ITD then created an Exchange system and started migrating people to it which created two disparate systems. These systems could be linked together but the OCIO/ITD has not done so. In the meantime, they have collected a substantial amount of money from the agency (X dollars per email account per monthly) with very little to show for it.”</p>
Comment #10	<p>“The procedure for ordering hardware/software was poorly explained. On one occasion, our office submitted a request form we had always used for ordering updated software, only to learn weeks later when checking on the status of our order that we had submitted an outdated request form and would need to access the website to retrieve the updated form and resubmit our request. We are unaware of any email or other communication that would have informed us that forms had been updated.</p> <p>In a couple of cases, it has taken weeks to obtain OCIO approval after</p>

Comment Number	Comment
	<p><i>submitting ordering requests, even when we have sent an email and/or phoned to inquire about the status of an order.</i></p> <p><i>We question the necessity to require the OCIO's approval for very small day-to-day purchases of consumables, such as replacing an employee's mouse that may cease to function. This is a time consuming process for both the agency submitting the request as well the approval process for the OCIO. We question the cost effectiveness of this process. Agencies do not need approval to order general office supplies, yet are required to submit a request form to purchase IT equipment and supplies no matter what the cost."</i></p>
Comment #11	<p><i>"My biggest issue is that I have to generate these requests for every IT Budget Exception cycle. These requests are approved by the OCIO, approved by the Governor and JAC during the budget process; and become part of the department budget when the legislature approves the budget bill. I have to then, for every single purchase covered under these requests, submit an IT Request form, for APPROVAL by the OCIO before the purchasing process can begin. I see this as an excessive burden when the OCIO should be able to track all of these purchases through the State procurement office. I know State government is "suppose to generate" lots of red tape, but this is over the top in my humble opinion."</i></p>
Comment #12	<p><i>"There have been times when the approval process has taken too long especially for essential departmental needs and additional justification that should be apparent."</i></p>
Comment #13	<p><i>"Policy to review all IT purchases is costing us money and energy that could be spent better elsewhere. There are too many layers of approval. Often, the OCIO is a bottleneck. They need to trust that the agency has competent staff and allow the purchase threshold to be a larger dollar amount. At the current level of oversight we spend \$10.00 to save a \$1.00 by the time the paperwork makes it through the system."</i></p>
Comment #14	<p><i>"For larger purchases it is reasonable. However, filling out and submitting this form in order to pursue something as small as a \$5 cable is a waste of staff resources. Example: The agency needed to replace a laptop battery and submitted an IT request from the on-sale \$79 purchases. By the time the request was approved by the OCIO, the battery was no longer on sale and we had to purchase it for \$119."</i></p>

Source: Legislative Service Office from information provided by surveyed agencies.

Consolidation Efforts: Twenty-eight (28) or 49% of surveyed entities stated they have read the Legislature's authorized (2010 Laws, Chapter 39, Section 317 (b)) IT Consolidation Committee's following reports: July 1, 2010- IT Transformation

and Consolidation Committee, Phase I Report to the Governor; and 26 or 46% of surveyed entities stated they have not.

Twenty-eight (28) or 49% of surveyed entities stated they have read the Legislature's authorized (2010 Laws, Chapter 39, Section 317 (b)) IT Consolidation Committee's following reports: October 1, 2010- IT Transformation and Consolidation Committee, Final Report to the Governor; and 25 or 44% stated they have not.

Two (2) or 4% of surveyed entities stated they believe the recommendations in the consolidation reports were supported with adequate facts and financial data; 15 or 26% stated they did not believe; and 16 or 28% stated they somewhat believed.

Nine (9) or 16% of surveyed entities stated they have a favorable impression of consolidation moving forward; 22 or 39% stated they do not have a favorable impression; and 16 or 28% stated they have a somewhat favorable impression.

Five (5) or 9% of surveyed entities stated they believe the OCIO has been effective moving Wyoming towards consolidation; 17 or 30% do not believe the OCIO has been effective; and 28 or 49% stated they somewhat believe.

Note: See Chapter 6, Tables 6.1, 6.2, and 6.4 for agency comments based on LSO survey.

ITD uses its own survey to judge customer service

As mentioned previously, ITD uses its own customer survey to ascertain whether agencies are satisfied with the provision of various IT related surveys. The survey is conducted online, after the requested service has been provided. These surveys are provided with the HEAT ticketing system, which is used by ITD to track service tickets. The following provides the questions that are asked of customer agencies.

1. Overall, how would you rate the quality of the support or service you received from ITD staff (excellent, satisfactory, neutral, unsatisfactory, and poor);
2. It was easy for you to obtain the service you needed from ITD (highly agree, agree, neutral, disagree, and highly disagree);

3. The ITD technical staff responded to your request for assistance quickly (highly agree, agree, neutral, disagree, and highly disagree);
4. The ITD technical staff was highly knowledgeable about your specific request for assistance (highly agree, agree, neutral, disagree, and highly disagree);
5. The ITD technical staff was professional and courteous (highly agree, agree, neutral, disagree, and highly disagree); and
6. Based on the nature of your request, you were appropriately kept informed by ITD staff as to the status of your ticket/request (highly agree, agree, neutral, disagree, and highly disagree).

It should be noted that after our analysis of actual survey data, we determined that agencies provided positive comments for aggregated data 95% of the time. We also conducted an analysis of written comments where we differentiated between negative and positive comments. We determined that comments were positive 92% of the time with respect to provided services.

The following provides examples of what appears to be the majority of comments: *“keep up the good work; help desk staff are always pleasant to call, which makes me feel better because I am usually the problem they have to address; as usual, excellent service; excellent service; knowledgeable staff; quick responses from IT staff; fast response; services couldn’t have been quicker; excellent service on this call; very clear directions; etc.”*

*Difficult to reconcile
the opposing survey
results*

Although LSO’s survey showed that 80% of agency respondents were satisfied or somewhat satisfied with services after delivery, our results were no where near the 95% level shown by ITD’s survey. We did find out however, that ITD’s survey is not anonymous, which could be a challenge related to potential bias. Given the need for ongoing ITD support at the agency level, it is likely that even if a customer has negative input, that person may withhold such information.

In addition, it was not possible for us to determine the departments from which the clients were calling, although ITD stated that if needed, surveys can be tied back to HEAT tickets. There were no unique identifiers for each person surveyed. This

could result in one person calling in multiple times, but given a different reference ID each time. It is more likely that repeat callers who are satisfied will fill out the survey multiple times, possibly inflating the satisfaction rate.

Finally, ITD's service is conducted as part of its HEAT ticketing system. Agencies use the system to generate tickets related to IT problems that need to be solved. Survey questions do not deal with other areas such as rate setting, purchasing approval, or statewide IT consolidation.

Recommendation: The OCIO and ITD should work to develop an anonymous survey to agencies with respect to ITD provided services. In addition, other questions related to customer service should be asked as well (e.g. rate setting, purchasing processes, etc.).



CHAPTER 5

Disbanded Telecommunications Council

Finding 5.1: The State Telecommunication Council has not met since 2006

The State Telecommunications Council has not met since December 2006. From what we understand, the last annual report was submitted in January 2007.

From documents we received from the OCIO and the ITD, we identified four Council members that had terms expire in March 2009, however the OCIO and ITD noted that since the Council did not have a quorum of members to conduct business, the Council ceased meeting in 2007. Since then, new members have not been appointed by the Governor's Office, according to ITD and OCIO officials.

As a result of the Council not meeting since 2006, statutory provisions for long and short range planning related to statewide telecommunications have not occurred since 2006. This has caused a lack of defined direction or strategy from a policy and advisory council for the State to follow related to telecommunications services and infrastructure improvements.

W.S. 9-2-1026.2 (o) requires the Council *"to annually report the plans and recommendations developed under subsection (m) of this section to the governor and the joint corporations, elections, and political subdivisions interim committee."* Also, W.S. 9-2-1026.1 (a) (ii) requires ITD in consultation with the Council to *"develop recommendations for a current and long-range telecommunications transport service plan for state government and higher education..."*

According to the OCIO and ITD, these plans have not been developed since 2006. It should be noted however, that surveyed agencies commented often that ITD telecommunication services are generally provided timely and fully. However,

agencies also stated that the influence of the OCIO and the ITD within the state government IT system causes concern about slower adoption of innovative technologies that may help the state and agencies improve services.

Council met fairly regularly from 1994 through 2006

Shortly after state government reorganization in the early 1990s, the Legislature created the State Telecommunications Council. Specifically authorized in 1994, the nine-member Council has two main responsibilities: 1) develop both short and long term goals and plans for telecommunications services affecting stakeholders; and 2) inventory current telecommunications infrastructure and make recommendations on improvements.

Despite some varied execution of this statute, the Council met fairly regularly from 1994 to December 2006. In total, we found eight separate annual reports covering these 13 years of Council activities.

The Council discontinued meeting shortly after the CIO was designated as support staff to the Council and the Governor ceased appointing members to the Council. Therefore the State has not benefitted from telecommunications advice and planning from an advisory council's perspective in over four years. Nor has it benefitted from formal reporting as required by statute.

Confusing structure for telecommunications planning

The organizational structure for telecommunication services is confusing in light of separate roles for the Council, the Information Technology Division (ITD) and the Office of the Chief Information Officer (OCIO), and the Public Safety Communications Commission (PSCC).

For example, W.S. 9-2-1026.1 requires ITD to provide various telecommunication services, equipment, software and networks throughout the State. It should be noted however, that W.S. 9-2-1026.2 was amended in 2006, to substitute the CIO for ITD with respect to providing administrative and clerical services to the State Telecommunications Council, as well as serving as the Executive Secretary. According to the statute, the Council was created to *“develop goals and plans, both long range and short range, to meet the telecommunication needs of the state and its citizens...”*

W.S. 9-2-1104 (a) requires the Public Safety Communications Commission to work with the ITD Administrator in an advisory capacity “to promote the development, improvement and efficiency of public safety communications systems in the State.” However, unlike the above statute, W.S. 9-2-1104 (a) was not amended to substitute the CIO, instead of the ITD, with respect to advisory duties.

Although the CIO stated that the State Telecommunications Council is no longer active, he stated that “because of the alignment of the OCIO and ITD, we would expect very high levels of collaboration and coordination should the Council be reactivated in the future.” This statement was made with respect to interaction with the Public Safety Communications Commission.

As a result, there may be confusion with respect to providing and monitoring telecommunication services in the state is how the Council and the ITD split responsibilities. As noted above, the OCIO was established in statute in 2006 to be the administrative staff to the Council, replacing the role previously covered by the ITD. Yet the ITD remains the administrative staff to the Public Safety Communications Commission, which must work with the Council as necessary. Finally, as noted in W.S. 1026.1 above, the ITD is explicitly required to manage state government telecommunications services with a variety of stakeholders, including the University of Wyoming, community colleges, school districts, healthcare providers, and the like in addition to the PSCC.

This complex administrative structure for telecommunications services oversight makes for unclear accountability that all areas of statute concerning the topic are being sufficiently covered. Similarly, since the Council’s focus is more broad-based (i.e. – statewide infrastructure planning, etc.), both the ITD and the Council provide a different level of support and guidance toward telecommunications services in the state.

From 1994 through 2006, the Council’s role seems to diminish

Although the Council submitted annual reports from 1995 through 2006, the contents of the earlier reports appeared to include goals as envisioned by statute. For example, *Bridling Expanse: An Information and Infrastructure and*

Telecommunications Plan for Wyoming, was submitted by the Council in November 1995.

This large document covered not just state government issues related to telecommunications services, but was an expansive document looking at both government and private industry telecommunications infrastructure, services, and improvements required in the state. The plan included the following broad goals:

- Great opportunity for the citizens by facilitating synergistic telecommunications infrastructure development within public and private arenas;
- Enhance judicious utilization of appropriate technology through education and outreach programs;
- Promote the concept that a “network” should not entail control or domination by a single party to the detriment of the citizenry, regardless of whether components of that network are in the public or private sector;
- All existing media should be supported by new infrastructure, including text, video, audio, and telephony; and
- New infrastructure should allow two-way communications at the equivalent transmission speeds.

In addition, the plan made several specific recommendations:

- Immediately fund and deploy a state supported community outreach program to provide unbiased expertise to local communities;
- The Wyoming Public Service Commission (PSC) should pursue a policy which would encourage availability of ISDN services to every telephone in the state at a rate that reflects cost and reasonable profit;
- Continue fostering competition, both through progressive legislative efforts and through the state's ability to act as a large anchor tenant;

- Within the public sector, continue strategic planning and coordination;
- In upgrading the existing analog microwave public safety network, encourage the private sector to also improve services for businesses and residents; and
- Expansion or development of public facilities and services should be employed where technically and economically feasible, with consideration of the appropriate role of public and private providers.

Since 1995 however, we were only able to locate such goals in the 2004 annual report with respect to the Council's adopted policy statement on statewide broadband. As a result, the Council was not technically following the intent of W.S. 9-2-1026.2 (o) with respect to submitting annual reports to include goal setting within subsection (m) of the statute.

It is also interesting to note that the scope of the Council's focus appears to diminish over the years. For example, in the earliest reports, the Council takes on a broad scope of concerns related to the telecommunications industry within Wyoming. In later reports however, there seems to be less statewide interest in favor of specific projects or initiatives such as e-portal, state network, etc.

In the 2001 report, the Council even seems to take a reactive role by stating that it is more comfortable being directed per the Governor's and Legislature's priorities, which is contrary to its issuance of a broadband policy in 2004. Perhaps this stance was influenced by the Wyoming Business Council's economic development efforts.

Recommendation

The Governor should reappoint members to the State Telecommunications Council or provide information to the Legislature if there is a reason to modify W.S. 9-2-1026.2.

Recommendation If the Governor reappoints members to the State Telecommunications Council, the OCIO and ITD should work with the new Council to ensure statutory responsibilities of W.S. 9-2-1026.2 are carried out.

CHAPTER 6

Governance Structure and Consolidation

Finding 6.1: Governance Structure is authorized by statute, but the mechanics are not reflected in statute or rules

The IT Governance Model (Model) was created by the CIO, pursuant to his authority stipulated in W.S. 9-1-222 (a) (ii). However, the structure of the Model, as well as its responsibilities and duties are not clearly defined in statute or in OCIO rules. As a result, agencies often believe the Model is being used in a non-transparent manner with respect to statewide consolidation, approval of IT related purchases, and policy direction.

An interesting aspect with respect to the Model is that it is often vilified by state agencies because of concern about statewide consolidation efforts, the OCIO's authority to review agency IT purchases, as well as rate setting. These concerns are actually separate from the hypothetical construct of how the Model is designed and intended to work. The Model, as described in the Background section of this report, is actually logically thought out and provides an appropriate mechanism for IT planning and policymaking in Wyoming.

The problem however is how the Model, which is fundamentally sound, currently functions and interacts with Executive Branch agencies, boards, and commissions. The actual mechanics of the Model appears to provide a tremendous amount of angst, stress, and uncertainty among agencies and other entities.

The structure of the Model clarifies supervisory relationship between ITD and the OCIO and provides planning and

The Model was designed by the OCIO to include ITD's participation with planning and policy direction. In addition, OCIO reviews ITD operations and budget requests with respect to ITD's responsibilities to provide customer service to Executive Branch agencies, boards, and commissions. Two primary components facilitate this arrangement.

policy direction **Information Technology Policy Council (ITPC):** The ITPC “provides advice and counsel to the OCIO and the Governor in the setting of general direction and application of IT resources within the Executive Branch of state government.”

It was created in May 2005, by the OCIO. According to the ITPC charter, it was “*formally adopted as part of the acquisition and organization model of IT in the executive branch of Wyoming state government.*” The chartered purpose of the ITPC is to provide policy-making and other advice to the OCIO and the Governor with respect to the development of IT resources in the State. According to the OCIO’s website, the ITPC has not conducted a meeting since June 2009.

Information Technology Coordinating Committee (ITCC): The ITCC provides a forum for customer agencies to participate in the policy making and other processes of the ITPC. Stated more simply, membership of customer agencies provides a practical or technical application to the challenges encountered in various agencies with respect to proposed or existing IT technology. This type of information exchange is essential for any policy-making entity to ensure that correct and measured direction is set with respect to policy and other decisions that impact the effective and efficient use of state IT resources.

Finally, the ITD is a voting member of the ITPC and the ITCC, and according to the CIO, provides direct support to the IT Governance Model. It also receives direction from the OCIO related to research requests, policy analysis, and updates to various IT topics. ITD currently serves as the Chair of the ITPC.

Agency approval of Governance Model mixed

Not all surveyed entities are aware of the ITPC and the ITCC Although the Governance Model is important for state agencies, boards, and commissions with respect to their IT systems, not all agencies are aware of the existence of the ITPC and the ITCC. We identified the following from our survey of Executive Branch entities.

ITPC: Fifteen (15) or 26% of surveyed entities are not aware of

ITPC; 13 or 23% believe the ITPC provides appropriate forums for agency feedback; ten (10) or 18% do not believe the ITPC provides appropriate forums for agency feedback, and 18 or 32% believe the ITPC sometimes provides appropriate forums for agency feedback.

Ten (10) or 18% of surveyed entities believe their comments and feedback are taken seriously by the ITPC; 12 or 21% do not believe their comments and feedback are taken seriously by the ITPC; and 15 or 26% sometimes take agency comments seriously.

ITCC: Fourteen (14) or 25% of surveyed entities are not aware of ITCC; 16 or 28% believe the ITCC provides appropriate forums for agency feedback; 10 or 18% do not believe the ITCC provides appropriate forums for agency feedback, and 20 or 35% believe the ITCC sometimes provides appropriate forums for agency feedback.

Thirteen (13) or 23% of surveyed entities believe their comments and feedback are taken seriously by the ITCC; 11 or 19% do not believe their comments and feedback are taken seriously by the ITCC; and 18 or 32% sometimes take agency comments seriously.

Governance Model: Also, ten (10) or 18% of surveyed entities believe the Governance Model is effective; 14 or 25% of surveyed entities believe the Governance Model is not effective; and 24 or 42% believe the Governance Model is somewhat effective.

Notable comments from surveyed entities related to dissatisfaction with the operation of the Model are illustrated in the following table.

Table 6.1
Agency Comments Related to Governance Structure

Comment Number	Comment
Comment #1	<i>"ITPC according to the OCIO website last met on 6/1/09. ITCC does not function as an open forum that allows a free exchange of information and opinions."</i>
Comment #2	<i>"For ITCC, the lack of an open forum environment has stymied individuals from expressing their true thoughts or opinions."</i>
Comment #3	<i>"ITCC is too constrained by management. ITD should function as the implementation arm of ITPC and ITCC. However, they function as an independent entity that has failed from a customer service perspective."</i>
Comment #4	<i>"The Governance Model contains many layers which can lead to ineffectiveness."</i>
Comment #5	<i>"Most, perhaps all, of the ITCC agenda items come from the OCIO/ITD, as opposed to originating with the agencies."</i>
Comment #6	<i>"As for the ITCC, again it is my opinion that this poorly attended body is largely ineffective, due to ultimate control imposed by the current OCIO."</i>
Comment #7	<i>"The OCIO's implementation and inconsistent support of the IT Governance Model continues to be a source of much debate, frustration, stress, and waste of time. Although the fundamental process is sound, the OCIO staff often wastes agency staff time by arguing that a non-IT investment is in fact IT "related" often by the most trivial or even illogical reason, and therefore it is subject to the IT Governance Model. Again, interaction is often required between senior agency IT staff with the CIO/Deputy CIO to come to an agreement in order to move forward. The impact which is rarely acknowledged is the many hours of wasted time on the part of Agency staff members who would rather spend more time focusing on their important program tasks."</i>
Comment #8	<i>"We firmly believe in the IT Governance process that has been established over the past several years and we see significant value especially in the collaborative aspects of this process."</i>
Comment #9	<i>"We typically receive more resistance than assistance when pursuing services and projects."</i>
Comment #10	<i>"Agencies are asked to provide comments on proposed policies and standards. Our office has repeatedly expressed concerns to the ITCC both verbally and in written form regarding proposed policies and standards, yet many times written concerns were dismissed immediately and other times they were not even</i>

Comment Number	Comment
	<p><i>acknowledged.</i></p> <p><i>Our IT staff has volunteered to participate in separate committees and meetings initiated to discuss pending issues, but any concerns or comments expressed in these meetings are usually discarded. Because of this, our IT staff no longer felt it was the best use of their time to participate.</i></p> <p><i>We also feel that the ITCC is too heavily weighted with ITD's participation and under weighted by agency IT staff. ITD should be a contributing member, but no more than three or four ITD employees should attend these meeting. We have seen 10-12 ITD employees in attendance. This could stifle productive and useful discussions between all participating agencies.</i></p> <p><i>We feel that our agency's concerns have never been answered properly and that the ITCC model is no longer an efficient means for addressing IT policy and service discussions."</i></p>
Comment #11	<p><i>"As originally set up, the ITCC, ITPC, and ITD-OCIO structure was fairly effective. However, over the last several years this structure in our opinion has deteriorated. This is evident from the reduced attendance by agencies at ITCC meetings. Our IT staff feels that the OCIO has full control, with very little allowance for agency input. Rather than being a collaboration of thoughts and ideas, it has become more dictatorial in nature. "</i></p>

Source: Legislative Service Office from information provided by surveyed agencies.

The Model itself does not denote a strict approval process for agency IT purchases, nor does it require statewide IT consolidation or set the process for rate setting

Approval of Purchases: Although many agencies have negative comments about the current Model with respect to the OCIO's review of IT purchases, it is actually OCIO policy that requires such review. The OCIO's *IT Investment Review Criteria* requires that agencies making IT related purchases under \$200,000 must submit the *IT Request Form* for approval. For purchases over \$200,000, agencies must complete a *Business Case Plan*, which is ultimately approved by the OCIO.

It should also be noted that the Legislature has granted general authority for this review pursuant to Enrolled Act 46 of the 2010 Budget Session (HB 0001). More specifically, Section 317 states *"no appropriation contained in this act for information technology or telecommunications personnel, hardware or software or contractual services for information technology, shall be expended until the chief information officer has approved the expenditure."*

Statewide IT Consolidation: In addition, the Model does not require the study of statewide IT consolidation nor does it actually grant authority to move forward with statewide IT consolidation. Enrolled Act 46 of the 2010 Budget Session (HB001) grants this specific authority in Section 317. More specifically,

“The governor shall convene a committee to initiate planning for the transformation and consolidation of state information technology programs. The committee shall include representatives from state agency information technology staff, and shall examine consolidation measures which may improve services, eliminate redundant activities, and leverage state resources in the delivery of improved technology solutions for state operations. The committee shall be directed by the office of the governor and staffed by the chief information officer and others, as appointed by the governor. The committee shall offer initial recommendations to the governor prior to July 1, 2010, and shall submit final recommendations to the governor and the joint appropriations interim committee no later than October 1, 2010. The report shall include recommendations to provide more effective and efficient information technology services including, but not limited to, use of shared services, facilities and personnel, and recommendations to provide better accountability and management. Agencies shall participate in the consolidation program and provide assistance and support to the committee as required by the committee. This subsection is effective immediately.”

Rate Setting: W.S. 9-2-1003 (d) provides the authority to the Department of Administration and Information to bill state agencies. In addition, W.S. 9-4-204 (t) (ii) (B) explains the nature of an internal services fund. It states *“Internal service fund-to account for the financing of goods or services provided by one (1) department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.”*

As discussed earlier in the report, rate setting is a complicated process, which is handled by ITD financial staff. Despite the

relative simplicity implied by requiring customer agencies to pay for ITD services, the actual process to receive funding is relatively complex. For example, various components of the overall process must tie together, which is ultimately overseen by the federal government (Department of Health and Human Services). These components include service utilization, accounting for initial investments and projected depreciation, determining fair and reasonable costs, and recovering those costs.

The premise for federal oversight is that federal monies should not be disproportionately paying for services where state and/or other funds are also used; a common concern may be that states are supplanting state or other funds with federal monies to pay for required services. In order to ensure it is staying within federal guidelines, ITD contracts (since 1989) with an outside cost allocation consulting firm called Maximus Consulting Services, Inc.

Reevaluation of the manner in which the Model is used could improve agency opinions of the Model itself

It appears there is a misunderstanding or disconnect between actual OCIO policy and directives related to purchasing, rate setting, and statewide IT consolidation and the Governance Model. In other words, agencies are critical of the Governance Model because they are upset or uncertain about OCIO and ITD policies with respect to purchasing, rate setting, as well as the general direction of statewide IT consolidation.

Although the Governance Model appears to be a logical framework for Wyoming to use when moving forward with statewide IT improvements, the manner in which the Model is being used should be reevaluated. For example, surveyed agencies are unhappy with the approval process of IT related hardware, software and services, which does involve the ITCC for review of business case plans.

Rather than changing the structure of the Governance Model however, perhaps OCIO policies with respect to purchasing could be loosened. For example, OCIO policy could be modified to allow agencies to make purchases under \$500 without OCIO approval. This would also be consistent with State procurement policy, which also allows agencies to make smaller purchases without pre-approval.

Other areas such as additional transparency related to rate setting and statewide IT consolidation, could also ease agency concern about the Model.

Recommendation The OCIO should promulgate rules with respect to the structure and activities of the Governance Model. Rules should clearly articulate the processes involved with its activities.

Recommendation The OCIO should modify purchasing policy and allow agencies to make IT-related purchases under \$500 without OCIO approval.

Finding 6.2: Statewide consolidation initially started with agency good-will and positive movement, but has since ended with distrust and opposition

Serious discussions relating to current IT consolidation efforts started in October, 2009 with combined planning and interaction between IBM, the OCIO, and numerous state agencies. These entities worked together in a positive and productive manner to identify shared and support services needed to move Wyoming towards consolidated IT services.

However, after the OCIO received formal authority to move forward with consolidation efforts through 2010 budget language, the goodwill and positive movement established during the earlier workshop essentially ceased. Primarily, agencies believed that consolidation efforts were not transparent, and their earlier concerns related to *“agencies giving up control”* were not appropriately addressed throughout the process. The movement leaped from a discussion of six common or shared services to larger scale reorganization.

More specifically, agencies questioning the draft consolidation reports in July and October of 2010 were not convinced that the reports adequately supported a move towards consolidation. In addition agencies feel that their opinions and concerns were ignored or acknowledged and then disregarded.

Many agencies are now highly critical of the consolidation efforts doubting the motives of ITD and the CIO. There may also be a credibility problem wherein agencies are required to submit business cases for IT projects, but none has been submitted by the OCIO for consolidation to define details related to cost, time, size, and scope of each shared service to be consolidated. There is some inconsistency as well, since the OCIO did submit a business case plan for the proposed enterprise email system.

As a result of not enough transparency and heightened agency distrust, the consolidation effort has stagnated given agency

concerns and resistance where future initiatives are pending an executive order and legislative action.

IT Optimization (ITO) Shared Services workshop instilled goodwill and participation

On October 27th, 2009, the IT Optimization (ITO) Shared Services workshop was held in Cheyenne. Prior to the workshop, the CIO worked with IBM to define the workshop objectives and to gather background information on Wyoming's IT goals and strategies. According to the CIO, IBM offered its services free of charge, *"as an investment in the IBM relationship with the State."*

Based upon meetings between IBM and the OCIO, the objective of the workshop was created. The objective simply stated to *"identify IT optimization opportunities by developing a portfolio of candidate IT shared services."*

Representatives from the following agencies participated in the workshop: Departments of Education, Employment/Labor, Environmental Quality, Game and Fish, Audit, Health, Revenue, Transportation; Office of State Lands & Investments; Information Technology Division; Legislative Service Office; OCIO; Secretary of State, State Engineers Office, and Workforce Services.

The workshop identified the potential for six (6) shared services and five (5) supporting services.

Shared Services: 1) IT Network Service; 2) E-mail Service; 3) IT Storage Service; 4) x86 Server Compute Service; 5) Data Center Service; and 6) Security Service.

Supporting Services: 1) Enterprise Architecture (Technology Architecture); 2) Information Lifecycle Management for Storage; 3) Solution Deployment (Change, Configuration and Release Management); 4) Service Support (Service Desk, Incident and Problem Management); 5) Service Delivery (Service Level, Capacity, Availability and Service Continuity).

Good will and cooperation comes with a caveat

Although the participating agencies provided productive and positive support to the notion of shared services during the ITO Workshop, concerns were also voiced about previous efforts to move towards consolidated services. One area of particular

importance is the perception of “*agencies giving up control.*” That theme was also evident as we reviewed agency responses to our survey.

For example, numerous survey recipients made comments related to a lack of trust related to turning over IT control to a central authority like the OCIO and/or ITD.

Some notable comments are as follows:

Table 6.2
Agency Comments Related to Lack of Trust

Comment Number	Comment
Comment #1	<i>“If you combine the CIO’s office, ITD management, ITD equipment, ITD staff and ITD facilities into a new technology agency as outlined in the report, it will still be ITD in reality, regardless of what it is renamed. We do not agree that allowing the CIO to consolidate the state’s entire IT infrastructure under one entity will yield acceptable results to anyone. The reason we are in the predicament we are in now, is because of ITD’s failure to provide the services that the agencies require... In general, agencies are continually waiting for ITD to provide modern technological innovation and support, while falling behind with what’s happening in the real world. We seriously question the outcome of the state’s future in technology based on the changes outlined in the IT Consolidation Plan.”</i>
Comment #2	<i>“IT services were consolidated a number of years ago and failed to yield the desired results. Therefore, agencies were tasked with hiring their own in-house IT staff in order to support and carry out their statutory directives. This model has proven to work effectively for agencies for many years and is still needed today.”</i>
Comment #3	<p><i>“We are concerned about the OCIO and ITD’s ability to effectively manage a project of this scope. They have failed repeatedly over the years to handle much smaller projects, so positioning them to incorporate all of IT raises great concern. The IT consolidation plan was not created from a collective decision of the committee as indicated.</i></p> <p><i>The first meeting of the Transformation & Consolidation committee was May 6, 2010. Committee members felt that since the first report was due to the Governor on July 1, meetings once a week for a little over 7 weeks was a completely unrealistic timeframe to research and produce a valid, accurate document. Agencies were shown the benefits, as the OCIO and IBM saw it, but were not informed about any negative impacts to their budgets, the cost to the State of Wyoming, to IT staff or a time frame for the return on investment of</i></p>

Comment Number	Comment
	<i>such a lengthy and inherently costly project.”</i>
Comment #4	<i>“A primary concern of our office is the consolidation of IT staff.”</i>
Comment #5	<i>“These reports discuss consolidating all IT resources through a new agency under the control of the OCIO. Giving complete authority for all IT decisions to one agency or entity could result in numerous unintended consequences, namely limited checks and balances. Starting with easily implemented solutions with a high probability of success would be the preferred approach.”</i>
Comment #6	<i>“Our office would like to see tangible results and a careful progression toward a goal, before agreeing that a complete reorganization as outlined in the plan is the correct approach.”</i>
Comment #7	<i>“No serious consideration to the level of “value added” that current agency IT staff bring directly to the business operations within their departments. Clearly no solid understanding of the multitude of various budget streams that have to be taken into account, especially those with potential severe impact on some agency programs. Both reports are very vague on what is actually going to be implemented, how it is going to be implemented and at what costs.”</i>
Comment #8	<i>“While we applaud the OCIO for including agency comments in these reports, many agency concerns appear to be less significant or brushed over when reviewing the overall context of the reports.</i>
	<i>“A critical point we feel was missing from research behind this work was the impact of consolidation on work units and constituents in public sector consolidation examples. Discussions with our counterparts in other states have revealed that the quality of customer service both internal and external to government was severely lacking after consolidation efforts. We feel that more research should be done in this area.”</i>
Comment #9	<i>“Potential loss of our current level of IT support and reduced response times. Responsiveness to technology requests, help desk concerns and the like have proven to be significantly reduced in many cases through IT Consolidation efforts in other states.”</i>
Comment #10	<i>“It would be beneficial for information to be readily available. By providing information, it may reduce “rumors” and individuals may be more comfortable with the changes.”</i>
Comment #11	<i>“Perhaps viewed as adding another layer of bureaucracy interfering with operations. IT really depends how it’s implemented and who is managing the environment. The programs within the agencies may lose a level of expected service if the expertise is pulled out.”</i>

Comment Number	Comment
Comment #12	<i>"We agree that consolidation is necessary, but not to the extent in the report. We have voiced our belief that consolidation should start with a reasonable, doable project so agencies can see success. Historically, large pervasive projects are undertaken and fail, making agencies reasonably gun shy."</i>
Comment #13	<i>"We do not believe that moving the agency's current IT personnel to a new State IT Entity will result in improved service levels. While the consolidation effort may save money it will result in reduced levels of service to the agency which will translate into service impacts to the public."</i>
Comment #14	<i>"Agencies rely upon very specific IT applications that are maintained by agency IT staff members. These staff members possess skill sets specific to the applications they maintain as they relate to the agency's business functions. If these IT professionals are relocated to another agency (consolidation) service levels will be reduced."</i>
Comment #15	<i>"There is no trust in the system."</i>

Source: Legislative Service Office from information provided by surveyed agencies.

Agencies are highly suspect of the two consolidation reports Issued by the OCIO

The OCIO received broad statutory authority to move forward with consolidation efforts for BFY 2011

As discussed previously, the legislature granted the OCIO with authority to move forward with consolidation efforts in 2010. Section 317 of Enrolled Act 46 of the 2010 Budget Session (HB 0001) provides the OCIO with authority to approve IT purchases, review and approve IT consolidation initiatives, as well as identify and use cost savings. This authority is granted through BFY 2011.

The OCIO worked with the IT Transformation and Consolidation Committee (Committee) to draft two consolidation reports. The Committee consisted of various state agencies, and IBM. According to ITD, IBM was paid \$98,900.32 to assist the OCIO with consolidation efforts. More specifically, IBM provided consulting services in the following areas: attendance and participation at committee meetings; data collection; provide training sessions; and review of major items, themes, and direction with the Committee.

Related to consolidation efforts, the OCIO released two consolidation reports: *Information Technology (IT) Transformation and Consolidation Committee Report (Phase I)*

released July 1, 2010 and *Information Technology (IT) Transformation and Consolidation Committee Report (Final) released on October 1, 2010.*

The final report recommended the following: 1) Establish the IT transformation steering committee; 2) Authorize and fund the initial development of State's new data center and IT facility; 3) Authorize and support the new State IT entity/agency with new appropriations and/or reallocation of existing IT appropriations from existing agencies; and 4) Sign and support the Executive Order to authorize the consolidation and reporting activity, pending legislation.

It should also be noted, that agencies informed us that it has been difficult to access or request copies of the consolidation reports. For example, the distribution of both reports were neither advertised or posted for public access on ITD's or the OCIO's website. Several agencies reported that staff requested the report multiple times, only to be told it was confidential.

As of the date of this report, IT consolidation is pending the creation of the Executive Order and enabling legislation.

Data included in reports is questionable and does not appear to fully support consolidation proposal(s)

The final consolidation report is heavy on providing general resources and citing authority granted to the OCIO, but light on operational details. The report also presents information which supports the idea that a consolidation effort in Wyoming will be more efficient and cost effective than current attempts by comparator states. The report uses other states that have gone through consolidation as comparators for Wyoming.

After researching and analyzing the financial numbers provided by the OCIO to report statistics related to comparator states, we found the information was presented in a simplistic and incomplete manner. Although the estimation of aggregate costs and terms of years for other IT consolidation efforts by comparator states were able to be verified, we discovered that other states' efforts went well beyond the size and scope of Wyoming's broad proposal. In addition, the comparator states used in the final report were dissimilar to Wyoming.

Also, upon review of the contracts for each state we found that all comparator states consolidation efforts exceeded the size and scope of Wyoming's effort. This is important for several reasons.

First, no expense adjustments were made, which related the individual project size to a cost sensitivity factor (i.e. as a project grows in size the cost variables increases at a decreasing rate because sufficient economies of scale can be realized). This impacts estimates and comparability to Wyoming's consolidation effort because Wyoming is smaller in size; therefore, it could experience higher costs per capita allocated to implementing each shared service than comparator states.

Secondly, "*years to completion*" for comparator states were well beyond the planned consolidation for Wyoming. This implies that a discount factor for the time value of money was added to contracts for comparator states, but not Wyoming. For example, \$1 today will be less than \$1 in the future.

The bottom line is that contract prices grow at an exponential rate as the number of years increase; thus cost comparison for a project with a small time frame cannot be compared to a project with a long time frame without discounting the future value of all contract costs to their present value today.

The following table from the final report shows the states used for comparison to Wyoming.

Table 6.3
***Comparator States Used by the Consolidation Committee**

State	Amount	Term Years	Annual Costs	Population (2009)	Cost per Citizen	Scope
Indiana	\$1,100,000,000	10	\$110,000,000	6,423,113	17.13	Limited services
Texas	\$863,000,000	7	\$123,285,714	24,782,302	4.97	Limited services
Georgia	\$873,000,000	8	\$109,125,000	9,829,211	11.10	Limited services
Pennsylvania	\$500,000,000	7	\$71,428,571	12,604,767	5.67	Limited services

State	Amount	Term Years	Annual Costs	Population (2009)	Cost per Citizen	Scope
Virginia	\$2,000,000,000	10	\$200,000,000	7,882,590	25.37	Limited services
Average	\$1,067,200,000	8	\$122,767,857	12,304,397	13	
Wyoming	\$13,379,464	5	\$2,675,893	544,270	4.92	Extensive Services

Source: Legislative Service Office from information in the final consolidation report.

*Cost reflected are transitional costs for embarking on IT consolidation, not total State IT costs.

During follow up discussions with the OCIO, we requested clarification with respect to the comparator states as follows:

Question: Why were the selected states used as comparators?

Answer: *“Published reports on activities, awareness, available data, and timeframe. We were open to any and all but no other suggestions were provided by any participating agency.”*

Question: Explain how criteria for analysis related to higher cost and increased timeframes for consolidation in the selected states can reasonably be compared and contrasted to Wyoming.

Answer: *“IT consolidation basically has the same or similar issues everywhere; it is a best practice that people dislike because it may change their activities. When you aggregate and distribute costs across a standard, such as citizen count, it becomes more relevant. Look at cost per student, cost per FTE, etc., as examples.”*

Question: Differences between “limited” and “extensive services.”

Answer: *“Limited services in that context, means that those entities did not address all aspects that Wyoming addressed, network, security, desktop support, services, disaster recovery, etc.”*

Question: Explain why more rural states like Wyoming were not used as comparators.

Answer: *“No funds, no resources, no time, no suggestions from any agencies for in-depth analysis.”*

Wyoming numbers for outlying years do not appear to be supported

As seen from Table 6.3, the final report states that Wyoming’s proposed cost to consolidate IT-services would be \$13,379,464 over a five-year period. The report also states that the funding is based on a “selective sourcing strategy” versus “full scope outsourcing.” More specifically, the report states that Wyoming would “evaluate each infrastructure service and determine the best approach inside, outside, and/or combination of solutions.” Although such an approach sounds reasonable, the report does not provide more specific information as to the processes used to arrive at this point.

Also, the report only provides a detailed description of the first phase of implementation, but not the remaining two phases (implemented over a 5-year period). For the first phase, it appears that the \$3,930,070 was based on a 2.5% increase over budgeted costs for Executive Branch agencies, boards, and commissions above current agencies’ 400 Object Class budgets (\$157,202,788). However, the report does not provide detail as to the reason 2.5% was used, nor does it provide detail with respect to the remaining costs (\$9,449,394).

Many agency respondents to our surveys also had concerns about the lack of financial data provided in the final report to support consolidation. The following table provides some notable comments.

Table 6.4
Agency Comments Related to Financial Support for Consolidation

Comment Number	Comment
Comment #1	<i>“For those six shared services (Wave 1) identified in the Phase I report, consolidation should move forward. For other services the case for consolidation has not been justified. No alternatives were evaluated, no cost/benefit analyses have been run, and most importantly the impacts to customer service have not been evaluated.”</i>
Comment #2	<i>“Obviously not all agencies were at the table to participate in the information gathering so we believe the sampling for both facts and financial data is not representative of Wyoming government as a whole. Each agency has unique situations which create unique technology needs and efforts. For example - our agency was mandated by the federal government to embark on a multi-million dollar project. That project required the purchase of hardware and the development and purchase of custom software. Situations such as ours were</i>

Comment Number	Comment
	<i>generalized, therefore the associated facts were skewed when determining specific needs, i.e. purchase costs, server counts, etc.”</i>
Comment #3	<i>“The review by IBM clearly stated that there would be no dollar savings if we consolidated. In fact, they went on to say that the state has been grossly under spending on IT, when compared to similar organizations.”</i>
Comment #4	<i>“The assertion that we could provide a broader scope of services at a substantially lower cost than other States have experienced seems counter intuitive, without additional information to substantiate those claims. First the report does not indicate what services the other States set out to provide, neither does it propose what we would provide. Second, it fails to explain how we would provide more with less. While we do believe that we could fare better than those who have gone before using these endeavors, examples of how these savings could be created would have added more credibility to the report.”</i>
Comment #5	<i>“Absolutely not, the most glaring omittance from the reports were a clear definition of both the short-term and long-term costs for consolidating. The total cost for consolidation is so high, that it is rare to see any Return On Investment (ROI) advantages for seven to ten years out.”</i>
Comment #6	<i>“Our office believes that data in the reports was misrepresented to show higher yields and to strengthen the plan’s position. The financial data did not incorporate one time budgetary changes when calculating future projections. The equipment data for our office and other agencies was misrepresented and although this fact was brought up at IT consolidation meetings, we were never contacted or allowed to clarify or correct any flawed data.”</i>
Comment #7	<i>“IBM’s recommendations went against the IT consolidation effort. The data used in the analysis was unreliable since not enough time was provided to capture accurate data. Information and assistance provided by the IBM consultants was inconsistent and confusing.”</i>

Source: Legislative Service Office from information provided by surveyed agencies.

Two comparator states are in litigation with IBM; a fact not disclosed in the consolidation reports

It should also be noted that the OCIO did not disclose the fact that two of the comparator states are suing IBM. The suits are related to consolidation efforts in the areas of non-performance, lack of fulfilling contractual obligations, and for missing critical deadlines.

Although we did not research the merits behind these lawsuits, it is important to note that the consolidation reports should have disclosed litigation with respect to comparator states and IBM.

Reevaluation of Wyoming's IT-consolidation

The consolidation effort began with agency collaboration to create a set of shared services which would lay the foundation for effective cost savings through consolidation. The process has moved relatively quickly, which has caused a series of missteps in relation to agency compliance in the process. Despite the distrust that has been fostered throughout the consolidation period, we found that agencies for the most part are still amendable to identifying and moving forward with shared services. Small successes related to shared services, could potentially translate to further consolidation in the future.

The largest factors affecting consolidation are related to the perception that ITD and OCIO have not addressed each agency's concerns adequately and therefore consolidation may not have a positive impact. The perceived notion of a negative impact as a result of consolidation is exacerbated by the lack of communication and unilateral authority exercised by the CIO throughout the consolidation process.

The end result as it currently stands engages agency officials in an adversarial relationship with the CIO and the ITD. The current perception of consolidation is associated with negative effects such as losing access to fast and efficient IT reconciliation of problems as they arrive. This has caused IT consolidation efforts to stagnate because of lack of participation. The entire consolidation process may need to be halted, reevaluated, redesigned and moved forward in a transparent collaborative manner.

Recommendation

The OCIO and the Governor's Office should reevaluate efforts to move Wyoming towards IT consolidation and ensure that efforts are transparent and that agencies are able to provide communication related to the process. In addition, proposals related to statewide consolidation should be supported by sufficient financial and other information via a business case plan.



CHAPTER 7

Statewide Coordination

Finding 7.1: Statewide efforts to grow IT education and job preparedness have mixed success in Wyoming

Wyoming, like every state in the United States, is interested in economic growth. One of the strategies to achieve economic growth is to provide an attractive educational and professional IT infrastructure for its residents. To reach that goal, the state will not only be able to provide adequate academic programs for budding IT students, but will also have to bring key players together to provide those students with stable and challenging professional opportunities.

Wyoming has done a good job with providing the adequate academic foundation for this type of growth, but still needs to improve and coordinate efforts to diversify its economy. More specifically, it has struggled with retaining students once they graduate from college.

Wyoming provides an attractive academic environment for pursuing IT related studies

According to various sources, Wyoming has one of the highest per pupil spending for K-12 and higher education for the last few years. However, it still struggles with graduation rates, as well as retaining recent college graduates. For the most part however, Wyoming is an attractive state for those wishing to study Computer Science.

University of Wyoming Offerings: The University of Wyoming (University) provides the following IT related degrees:

- B.S. (Computer Science);
- B.S. (Computer Science) with a computers and business concentration; and
- B.S. (Computer Science) with an international engineering concentration.

The University stated the following about its bachelor level programs.

“The three bachelor of science degrees listed above represent accredited programs in Computer Science, as prescribed by the Computer Accreditation Commission of ABET. The criteria which must be met in the curriculum for these programs can be reviewed at the following web link: <http://www.abet.org/forms.shtml> .

ABET accreditation is recognized nationally and internationally for its high quality and is used by most State entities which certify baccalaureate preparation requirements for licensure in engineering and technology professions.

Graduates of the University of Wyoming, in these programs, are well prepared for both their initial professional placement as well as the demands for long-term professional growth in a discipline which demands continual learning and re-tooling. Our graduates find ready employment in the State and region, with a broad scope of application areas (information systems providers and support services, financial and insurance concerns) and are competitive in pursuit of graduate programs beyond the University of Wyoming.”

The University also offers advanced programs as follows:

- M.S. (Computer Science);
- Ph.D. (Computer Science); and
- Interdisciplinary courses for graduate students in other disciplines.

The University stated the following about its advanced and dual programs:

“The M.S. and Ph.D. in Computer Science provide advanced students with the opportunity to pursue aggressive programs of study, at the graduate level, in disciplines supported by UW faculty. Both degrees

require substantive research components where students are required to push forward the current frontier of knowledge in the field. Our graduates find employment both within the State and region, as well as nationally (e.g. national laboratories, colleges and universities, and corporate research entities).

Over the past four years we have seen a substantial increase in undergraduate and graduate interest in computational sciences from programs as diverse as Molecular Biology, Zoology, Botany, Geology and Geography. A number of our faculty has been active in the early formulation and delivery of coursework presented in the Interdisciplinary Computational Sciences Program. This rising tide of interest in computing reflects a growth in computational demands among faculty across the University; however we do struggle to provide appropriate and efficient coursework. For example, in a “freshman-level” Computer Science I introduction to programming class, it is now common to have both true freshmen (in computer science and computer engineering) sitting side-by-side with Ph.D. students in molecular biology). The backgrounds and future computing needs of these student groups vary dramatically, however we do not have the faculty resources required to tailor coursework appropriately to each audience.”

According to University officials, recent graduates have taken employment with information system providers, the financial and insurance industries, as well as other high tech industries such as cable, internet, software development, and computer peripherals.

In addition, approximately 75% of graduates secure employment within one year. Fifty-percent (50%) of those students stay in Wyoming, while the remaining 50% work out of state.

The following tables provide employment placement and graduation rates for the University of Wyoming.

Table 7.1
***Employment Placement for Various Degrees**

Degree Year	B.S.	M.S.	Ph.D.
2005-06	Financial (WY) Insurance (WY) State (WY) Comp Techn. (CO) Sports Market. (CO) Grad School (WY) Grad School (CO) Grad School (TX)	Comp Techn (CO) Grad School (WY) Web Tech (WY)	N/A
2006-07	Oil Tech. (CO) Instrument. (WY) Machinery IT (WY) Consulting (CO) Grad School (WY)	Financial (CO) Grad School (WY) Web Tech (WY)	N/A
2007-08	Dish Media (WY) City IT (WY) Web Tech (WY) Grad School (WY)	Grad School (WY) Grad School (AZ) Web Tech (WY)	DOT (WY) Air Force (CO)
2008-09	Insurance (CO) Comp Techn. (WY) Info Sys (WY) Grad School (WY)	Grad School (WY)	Academy. (WA)
2009-10	Info Sys (WY) Web Tech (WY) Grad School (AZ)	Web Tech (WY)	National Lab (CA) HighTech Lab (CA)

Source: Legislative Service Office from information provided by the University of Wyoming.

*It should be noted that graduation surveys are voluntary. Response rates vary from 20% to 90%, according to University officials.

Table 7.2
Graduation Numbers for Various Degrees

Degree Year	B.S.	M.S.	Ph.D.
2005-06	20	2	0
2006-07	22	8	0
2007-08	19	6	3
2008-09	23	3	3
2009-10	22	4	2

Source: Legislative Service Office from information provided by the University of Wyoming.

Community Colleges: From what we understand, between 2007 and 2010, 17% of graduates with a B.S. in Computer Science from the University received an Associates of Science from a Wyoming community college. There were also students who completed introductory work at a community college, but did not actually receive an Associates of Science prior to attending the University.

When asked about the interaction between the University and the community colleges, University officials had this to say:

“The University of Wyoming articulates annually with instructors of Computer Science at Wyoming community colleges. These face-to-face meetings provide a forum for unifying course offerings to enable efficient transfer between community colleges and the University, and also allow faculty to identify course content and approaches which strengthens offerings at all participant schools. As such, the base provided at most of the community colleges transfers directly to UW with positive outcomes.

ONE ITEM OF CAREFUL ARTICULATION is the difference in curricula between Associate of Science and Associate of Applied Science when considering Computer Science. Community colleges in Wyoming have the charter for delivery of applied science technology coursework (e.g. certificate programs in Microsoft and Cisco technology). The Applied Science preparation does not, and is not intended to, lead seamlessly into the B.S. in Computer Science.”

Increased demand for students with Computer Science backgrounds

According to University officials, there is currently an increased demand for students with Computer Science backgrounds. More specifically, companies within Wyoming and accompanying states have increased requests for qualified students. University officials stated “...we will struggle for the next several years to provide sufficient students to meet the demand if it continues at the current level or increases.”

With the increased demand for students with Computer Science backgrounds however, the University does not appear to have requirements for student internships or for participation in

exchange programs where bachelor level students participate in research related to federal, state, and private grants. According to University officials, such programs could “*expand, at the graduate level (M.S. and Ph.D.), the interaction of students and faculty with researchers in adjacent sub-disciplines.*” They also listed a downside with respect to “*highly competitive graduate student recruitment process and expectations of sponsors.*”

Although University officials recognize the growing demand for qualified Computer Science students in other areas (i.e. wildlife management), they also stated “*There does not appear to be a simple, one-class-will-do-it solution.*”

IT salaries in Wyoming appear to be attractive

According to a technology and college research website (<http://www.technology-colleges.info>), the average salary for information technology professionals is at \$62,000. The mean salary in the state of Wyoming across all professions is \$34,290 for 2007, according to the U.S. Department of Labor.

The following is a further breakdown:

- Information Technology Manager (\$69,000);
- Database Administrator (\$66,000);
- Network Administrator (\$62,000);
- Software Developer (\$74,000);
- Web Designer (\$56,000); and
- Web Developer (\$71,000).

Other efforts for developing an IT infrastructure

While the initial question posed by the Management Audit Committee questioned whether the University and community colleges do enough to provide accurate education and training in technological areas, it became apparent very quickly that it was necessary for us to research other areas to gain more insight about Wyoming’s technological business situation.

As a result, we questioned agencies that were involved with 2006 and 2007 legislative efforts to grow IT related businesses in Wyoming. Those entities include the following:

- University of Wyoming's Technology Planning Council (WTPC);
- Wyoming Technology Business Center (WTBC);
- Wyoming Business Council (WBC);
- Department of Workforce Services (Workforce Services); and
- Wyoming Technology Organization (WTO).

The timeline for the legislative efforts are as follows:

- 2006 Wyoming Legislature Budget Session: The legislature approved the Joint Appropriations Interim Committee's footnote to establish a group headed by the Chief Information Officer *"to examine the state of Wyoming's information technology services contract bidding process."*

The workgroup also included the Deputy Chief Information Officer and the Vice President of Information Technology at the University.

The report concluded in 2006, that Wyoming has opportunities to diversity its economy in the areas of manufacturing technology, communications, software and tech services, and engineering services.

- BFY 2007 OCIO Budget Request: The Governor recommended and the Legislature approved an appropriation of \$91,000 for the CIO to work with the Wyoming Technology Organization (WTO) to create a *"Wyoming Technology Vision"* document, a *"State of the Industry"* report, and a *"Technology Industry Workforce Development"* report. From what we understand however, only the 1st and 2nd reports were provided.

The 2007 Vision report recommended the following: 1) Build a Culture of Entrepreneurship; 2) Improve the Delivery and Effectiveness of Support Services to High-Growth Industries Including Technology; 3) Facilitate Access to Capital for Wyoming Technology Companies; and 4) Institute a Governor's Task Force on Innovation and Tech-Based Economic Development.

WTO ceased to exist, which caused the legislative effort to cease as well

From what we understand, the WTO was initially created to provide a big picture and help design a master plan to bring knowledge industry to Wyoming. In 2006, it received its funding by membership dues in an effort to develop the largest consumer organization in the state related to the tech industry.

According to the previous WTO director, WTO was acquired by Venture West Network, Inc., in 2008. The merged company was renamed Wyoming Innovations Network (WIN). According to the previous director, WIN was developed to “*advance Wyoming’s entrepreneurs through innovation, integration and education.*”

During our discussions with the Wyoming Technology Business Center in Laramie, we found out that WIN is now defunct. From what we understand, it was difficult to keep the company funded, as it was staffed primarily with volunteer efforts. This is consistent with what officials stated from the OCIO.

More specifically, OCIO stated it was originally involved with the earlier budget request in order to “*generate a consensus approach with legislative leadership and technology leaders in the community for state economic benefit.*” However, after the 2007 Vision report was released, there has been no further appropriation for this effort. The CIO did state that during its BFY2009 budget request it requested an additional \$350,000 for state government technology training. However, the Governor did not support that request.

The momentum that had been created in 2007 with the drafting of a strategic document to outline all the necessary conditions to advance the technological sector in Wyoming atrophied after the WTO ceased existing in its old format. Originally, the report had brought together key players to discuss and plan for Wyoming’s technological future.

The WTO, WBC, the University, and Workforce Services, worked together to identify the main ingredients to jump start Wyoming’s technological landscape and set out three, five and ten year goals for the future. The idea was to use this report as a living document that would get updated regularly. This has not been the case, however.

It should also be noted that Workforce Services consulted with WTO with earlier efforts related to applying for federal monies for growing technologies across the country. These efforts tied broadly into some of the 2007 Vision report goals. However, according to Workforce Services officials, the original people involved in those efforts were no longer at the agency.

At the moment, it appears as if the State does not incorporate a holistic approach in helping to establish a business environment that is not entirely focused on mining and the oil and gas sector. There is no comparable document available that provides a general strategy in achieving the growth of technological industries in Wyoming or that describes the changes that have been implemented since the issuance of the document in 2007. Such a report is important in that it annotates a roadmap for factors that are important to build a knowledge-based industry in Wyoming with a focus on technology innovation.

Some entities are moving forward with goals listed in the 2007 Vision report

Saying that however, according to officials of the WBC and the WTBC, these entities are still moving forward with addressing some of the goals established in the 2007 Vision report.

However, WBC commented that it is not currently working with the OCIO to develop further strategies to continue addressing the 2007 Vision report's goals and assisting to create a knowledge-based-economy. But, the WBC official also stated that such an interaction is highly desirable and WBC is amenable to such contact.

The following are notable comments (quoted) from WBC's and WTBC's responses to our initial questions:

WBC

- *“At least one “angel” or investor group has developed in Albany County and the WTBC is working to expand that effort throughout the state.”*
- *“WBC has contacts and directs companies to various Venture capital organizations in the region.”*

- *“Through the Wyoming Technology Business Center (WTBC) and the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) program, joint research efforts have expanded and led to new tech business development.”*
- *“The WBC does track private moneys leveraged by all of its investments, but does not know if other agencies do this. In the latest WBC Annual Report 2010 \$76 million in investments by the WBC programs resulted in leveraging \$152 million in local and private investment.”*
- *“The WBC supports technology clusters that are developing in several areas of the state including: Laramie, Sheridan, Cody, Jackson and Cheyenne.”*
- *“Creation of 10,000 technology related jobs over the described 10-year period is unlikely. While the state has had success the nature of these industries is to create jobs of high quality, but not of great numbers in comparison to capital investment. A more reasonable goal might be 3,000 to 5,000, with a focus on the compensation levels attained.”*
- *“The experience to-date indicates that the OCIO has been and is best suited to address state government tech utilization issues. Development of the private technology business sector has largely been left to The Business Resource Network, which includes the WBC and many other entities. Within the network and in conjunction with the Link Wyoming program, planning is continual. The WBC believes it is in the best position to coordinate with the OCIO’s office.”*

WTBC

- *“With regard to 3 year and 5 year goals, there has been some progress through the WBC in setting up a funding mechanism for providing equity funding. This is in the rule making phase, so it is not clear exactly how the funding will be provided (straight equity, convertible debentures, etc) and*

what types of companies might be successful in getting money.”

- *“For technology companies, the federal Small Business Innovation Research program is what most companies use for product development (it’s a lot of money that is given as a grant and the company gets to own all the intellectual property). And the SBIR/STTR program does a good job in supporting companies as they develop proposals for this.”*
- *“There is an informal “angels” or private investors’ network in Laramie. Most of the participants in this network are high net worth individuals that really have not done much investing in private high tech companies before, so as this group does some investments, the people involved will get more experience with this type of investment. So over time, the ability to raise money will get better.”*
- *“With regard to the 10 year goals, it is believed that some technology clusters are developing throughout the state. The WTBC is focused on working with areas to increase the number of technology start-ups of any type of business – not just a particular industry cluster. However, as companies become successful they almost always stimulate related companies. The WTBC’s focus now is on Laramie and Sheridan with a program just starting in Gillette.”*
- *“Wyoming could be much stronger in technology research and development particularly in private sector companies. A recent analysis done by the University of Wyoming (“An Index of Wyoming Innovation”) shows clearly that Wyoming ranks dead last in industry related Research and Development funding, which means that most of the R&D is done by the University of Wyoming.”*
- *“As the WTBC has worked with colleagues in the Research Products Center (essentially the intellectual property arm of the university) they have identified a number of technologies that are believed to have commercial potential and are now working with five different groups to start companies around these technologies. What we need is for a few companies to become successful and that eventually lead to more people*

interested in developing companies.”

- *“The UW Office of Research and Economic Development could be the lead in developing this report. And as a member of this division and reporting directly to the Vice President, I believe that the Wyoming Technology Business Center has the broad mission and programmatic activities and experience that would make us a key partner in such an initiative.”*
- *“We are currently working with the Department of Workforce Services on a project in conjunction with the Laramie Economic Development Corporation to explore barriers that tech companies in Laramie face in finding and retaining personnel.”*

Moving forward

It appears that Wyoming has the basic building blocks to successfully work towards accomplishing goals established in the 2007 Vision report. In addition, it appears there is activity towards pursuing those goals, as well as an interest in reestablishing some type of entity to coordinate various efforts to diversify Wyoming’s economy. What is needed however, is an additional infusion of collective energy, and possibly additional appropriations.

The 2006 Wyoming *Information Technology Vendor Contracting Work Group Report* perhaps had one of the more realistic recommendations for the future as its final recommendation. Although the WTO is now defunct, the recommendation essentially stated the need for a similar organization *“comprised of member companies or individuals who offer a technological product or service or work in a technology related field”* to help coordinate various statewide efforts related to IT contracting and other efforts.

Prior to the implementation of such a recommendation, the OCIO should work with groups like WBC and the WTBC to develop an action plan for the Legislature.

Recommendation The OCIO should work with the University of Wyoming, Wyoming Business Council, the Wyoming Technology Business Center, and Department of Workforce Services to develop a plan to reinvigorate earlier efforts by the Legislature to encourage diversification of Wyoming's IT industry and infrastructure. Such a plan should be drafted and presented to the Legislature prior to additional funding.



CHAPTER 8

Other States

Finding 1: As Wyoming struggles with information technology consolidation and efficiently providing services and projects, other states can provide ideas for Wyoming to consider

Though IT consolidation, centralization, shared services, or other like initiatives appears to be dominating (or heavily influencing) state governments' IT service provision, there are additional areas where other states' experiences and practices can be reviewed to assist Wyoming.

During our audit, we reviewed various states' IT administrative practices to identify innovative approaches that may be beneficial for Wyoming to study. Our review focused on five major topic areas:

1. State information technology administrative and governance structure;
2. States' experiences with information technology consolidation or similar initiatives (sometimes termed shared services, centralization);
3. Common IT services provided by government IT agencies;
4. Information technology agencies' funding and rate setting structures; and
5. State practices to help build and grow IT industries statewide.

We reviewed states based on similar demographics to Wyoming, such as population and rural nature. These states included: Alaska; South Dakota; New Mexico; Utah; Idaho; Montana; North Dakota; and Vermont. After preliminary review of documents and information from each state, we narrowed our review down to Alaska, South Dakota, Montana, North Dakota, and Vermont. Of these final five states, three (Alaska, Montana,

and North Dakota) formally replied to our information request.

*State IT administrative
and governance
structure*

A significant issue for each state and how it operates state information technology services for executive branch agencies entails how administrative and governance structures are formally or informally maintained. In general, each state has an overall administrative arm with which most or all IT-related services and projects are administered for the branch.

Table 8.1 below summarizes the responses we received from three states. Overall, we would like to point out important elements common to these responses:

- It appears the implementation of chief information officer positions and overall strategic planning responsibilities has been a common practice over the last decade or so;
- Each state generally has statutory authorization for their IT administrative entities; and
- Each state appears to have formal staff dedicated to overseeing and monitoring overall IT security.

Of particular importance to our audit, the following summarizes each comparator states' remarks about IT services and governance (related to survey Question #5):

Alaska: Director manages division providing enterprise IT services, including: email; phone; Wide Area Network; various security applications; and tool sets. The Director is also the Chair of the Technology Management Council, which has seven members and works on technical policy matters and the establishment of IT standards.

Alaska also has an Enterprise Investment Board, chaired by the Commissioner of the Department of Administration, four other board members from agency departments. The Technology Management Council meets bi-weekly to review issues of technical concern, matters of technology standards.

The Enterprise Investment Board meets one to two times a year to review recommended policy changes and to receive and approve department IT plans and large projects – over \$100,000. The Administrative Service Directors (one from each of the 15

Executive Branch state agencies) are consulted on policy matters that bear on fiscal concerns.

Montana: The State Chief Information Officer is also the Administrator of the State Information Technology Services Division. As the CIO he/she is responsible for establishing the strategic direction for Information Technology throughout the state. As the Division Administrator, he/she is responsible for initiating the tactical activities necessary to accomplish the strategic goals of the state as well as providing enterprise IT support services to the various state agencies.

North Dakota: By statute Information Technology Department (ITD) provides server hosting services to the executive branch of government. ITD provides network connectivity to all state, city, county, and educational (K-16) entities. Software development services acquired by state agencies are not required by law to be purchased from ITD but most state agencies do. When external vendors are hired, ITD is involved from a project management/oversight capacity.

Table 8.1
Wyoming and Selected States Information Technology Administrative and Governance Structures

LSO Question	Wyoming	Alaska	Montana	North Dakota
1) How many full time employees work for the following entities?	ITD: 119 OCIO: 7	122 (includes ITD-similar agency)	191 (includes ITD- and OCIO-similar agencies)	328.2 (includes ITD- and OCIO-similar agencies)
2) What year(s) were the following entities created?	ITD: 1991 OCIO: 2003	ITD-like agency in current form created in 2004	ITD and OCIO in current form created in 2001	ITD: 1969 CIO: 1999
3) Provide the statutory, regulatory, or executive order citations for creation of the following entities.	ITD: W.S. 9-2-1018 OCIO: W.S. 9-1-222 and various session laws	Executive Order No. 13	Montana Code: 2-15-104 and 2-17-504	North Dakota Code (updated): 54-59
4) Provide organizational placement within state government for the	ITD: Department of Administration and Information OCIO: Department of	Department of Administration	Department of Administration	ITD: Office of Management and Budget

LSO Question	Wyoming	Alaska	Montana	North Dakota
following entities.	Administration and Information – CIO appointed directly by Governor			CIO: Report directly to Governor
5) Describe how the above entities interact to provide IT services and governance to state agencies.	OCIO provides top-level oversight for IT governance, project and purchasing reviews. The ITD supplies frontline IT services to agencies and works with the OCIO and A & I Director.	See above text	See above text	See above text
6) Is your current IT agency and governance model reflected in state statute?	No	No	Yes	Yes
7) Does your state have a State Telecommunications Council responsible for planning and coordinating telecom efforts statewide?	Yes (not currently functioning, but authorized in statute)	No (eliminated by executive order)	No (handled through coordinated efforts of other governance entities)	No
8) Does your state have a dedicated individual responsible for statewide security of state financial systems (e.g. state's accounting system, payroll, etc.)?	Yes	Yes (not specific to financial systems, but overall IT security issues)	Yes	Yes
9) Can agencies make computer or computer related purchases using their small purchase authority?	Yes/No (Procurement sets \$500 maximum authority, but CIO has final review authority over purchases)	Yes	Yes (for purchases under \$25,000)	No

Source: Legislative Service Office from information provided by selected states.

Consolidation, centralization, and shared services Complementing states' current administrative or governance practices, is how they attempt to adapt current practices towards consolidation. Table 8.2 provides specific information with respect to the following:

- Alaska and North Dakota have already completed some partial consolidation, but in general, there does not appear to be full commitment to consolidation among these states;
- Each state has some form of statewide IT planning, that is generally required by state statute;
- Each state has completed, or in Wyoming's case about to complete, formal implementation of a central executive branch e-mail system; and
- Only North Dakota appears to gather a comprehensive inventory of IT resources.

Table 8.2
Wyoming and Selected States' Consolidation of IT Services

LSO Question	Wyoming	Alaska	Montana	North Dakota
1) Has your state consolidated services as a result of a statewide, gubernatorial, or legislative effort?	No	Yes (in part, an assessment was completed in 2004-05 and some integration has occurred)	No	Yes (partial, legislative mandate for consolidated server hosting and central data center)
2) Is your state currently in the process of consolidation as a result of a statewide, gubernatorial, or legislative effort?	No	No (possibly in the near future)	Yes (CIO has authority, but voluntary data center efforts have already occurred)	No
3) Does your state provide IT services pursuant to a statewide IT services plan?	Yes (statutory requirements for CIO)	Yes (partial, ITD-similar agency does annual planning of its activities)	Yes (statutory requirement)	Yes (statutory requirement)
4) How many statewide IT projects	One (consolidated e-mail services)	<i>No Response Provided</i>	Zero	Zero

LSO Question	Wyoming	Alaska	Montana	North Dakota
aimed at consolidation or shared services have occurred within the last five (5) years?				
5) Does your state utilize an enterprise email system for use by all agencies?	Almost (consolidated e-mail project is not yet complete)	Yes (Microsoft Outlook)	Yes (Microsoft Exchange)	Yes (Microsoft Exchange)
6) Does your state maintain an inventory of the following resources?	Partial (ITD inventories its own resources; each agency may maintain its own inventory)	No (but agencies do supply their inventories with their annual IT plans – agencies' inventories are not consolidated into one inventory)	Hardware: Yes Software: No Data Center and servers: Yes	Yes (hardware, software, data center and servers)
7) If yes to question #6, what type of software or other programs do you use to maintain inventory in the following areas?	None	Not applicable	Website developed to have agencies enter their inventories	Use Microsoft Excel

Source: Legislative Service Office from information provided by selected states.

Standard IT services As the primary technology service agency in each state, Wyoming's ITD and other states' similar agencies managed a volume of IT services and projects for their customer base. As shown in Table 8.3 below, most of these agencies manage or track more than 20 IT related projects each year and provide dozens of services directly to their customers. Additional points to keep in mind related to common IT services provided in each state include:

- Most of these states, including Wyoming do try to measure or track customer service satisfaction, most often through surveys after an incident resolution or annually; and
- These states generally do not have any information technology-specific savings account that may be used for future technology investments for the state. It appears that Wyoming is the only one among these states that is moving

in this direction.

Table 8.3
Wyoming and Selected States Common Information Technology Services

LSO Question	Wyoming	Alaska	Montana	North Dakota
1) How many agency-specific projects are provided to state agencies annually?	ITD tracked projects from state agencies' requests: 2009: 82 2010: 175 2011 (to present): 45	Zero (individual agencies manage their own IT projects)	Over 20 per year	Over 20 per year
2) How many agency-specific services are provided to state agencies annually?	ITD: 78 rated services for BFY 2011 biennium	Typical services include phone services, e-mail, and security applications	Over 100 services per year	50-100 per year
3) Does the central IT agency measure agency satisfaction with respect to rendered services?	Yes (through survey after service request tickets are closed)	Not consistently, but working on modifying	Yes (through customer service surveys as well as agencies participation on the IT Managers Council and the IT Board groups)	Yes (post-incident and annual surveys)
4) Does your IT agency use any type of savings account where savings are deposited for future uses by the IT agency?	No (account authorized by 2010 Laws, Chapter 39 is anticipated to be set up July 1, 2011)	Yes (account set up in statute to receive reimbursement payments for services as well as revenue from surplus assets)	No	No

Source: Legislative Service Office from information provided by selected states.

IT Funding and Rate Setting In terms of systems level funding methodology and rate setting for each state's ITD-like entities, we tried to clarify if Wyoming is similar to other states in its internal services fund financial model. Summarized in Table 8.4 below for additional information. Also, the following summarizes in aggregate important points about the information provided:

- Each state's ITD-like agency is generally funded through fees

- charged back to customer agencies for services provided;
- Each state sets its charge-back rates at least annually and will notify agencies of rate changes as appropriate; and
 - Both Montana and North Dakota appear to set rates in a similar fashion to Wyoming: Montana explicitly notes its funding model taking into account both direct and indirect costs while North Dakota notes the need to review historical data to accurately project future service usage and estimated costs.

Table 8.4
Wyoming and selected states Information Technology Administrative Agency Funding and Rate Setting Structure and Practices

LSO Question	Wyoming	Alaska	Montana	North Dakota
1) Is the IT entity self funded through billing for services provide to state agencies?	ITD: Yes OCIO: No (uses General Funds)	Partially	Yes	Yes
2) Does the IT entity provide flat rate service plans to agencies for services?	Yes (Gold and Silver MIS Service Plans)	Yes (based on a per seat – employee – cost)	No	No
3) Does the IT entity engage in a process to set rates annually or biennially?	Yes (all rates biennially; sometimes rate adjustments annually)	Yes (sets rates annually as approved by the Administrative Services Directors)	Yes (uses “financial transparency model” based on direct and indirect costs of providing services)	Yes (past services usage is used to estimate future use; aggregate estimated costs are divided by expected usage to come up with per-unit rates)
4) Are agencies informed of any changes to rates during the biennium?	Yes (when adjustments are required, agencies are informed)	No applicable	Yes (rate sheet is changed and e-mail notification occurs for all accounting and IT managers)	Yes (customer notifications for rate decreases and also shown in monthly bills; rarely raise rates due to agencies’ budget limitations)

Source: Legislative Service Office from information provided by selected states.

IT employment and industry development The last significant area of concern for our audit is related to technology industry and workforce development in the state. Though we provide an entire finding on this area in Chapter 7, we did want to see if other states have a consistent or common strategy to keep abreast of the industry and potential for growth. Basically, how can these state information technology entities, with substantive expertise to apply, work to help the industry take hold in the state and retain a qualified and vibrant workforce?

As shown in Table 8.5, we asked specifically how the state entities (IT service agencies and CIO staffs) help contribute to these types of discussions or statewide planning. Generally speaking, each state appears to work within the government apparatus to deal with issue specific concerns brought to the Governor's attention. However, there does not appear to be a comprehensive industry development planning that can help the selected state more efficiently or effectively leverage its current resources, educational institutions, or expertise.

Table 8.5
Wyoming and selected states statewide information technology industry growth and development strategies

LSO Question	Wyoming	Alaska	Montana	North Dakota
1) Is the IT entity or Chief Information Officer a member of any consortium or other body which is tasked with raising awareness or assists in planning statewide employment and economic development strategies for the IT industry?	Yes (last done in 2007)	No (state CIO has worked with National Association of State Chief Information Officers on some issues)	Somewhat (as member of Governor's cabinet, CIO is able to help assist and resolve planning issues that are brought to the Governor's attention)	Somewhat (CIO may work with the Governor's cabinet on job development opportunities)
2) Does the IT entity or Chief Information	No	Not currently	No	Yes (CIO works closely with higher education and

LSO Question	Wyoming	Alaska	Montana	North Dakota
Officer meet with the state universities and community colleges to discuss ways to encourage students to stay in the state after graduation?				works with Governor's office and cabinet on initiatives to keep in-state students employed in-state)

Source: Legislative Service Office from information provided by selected states.

Summary In our review of other states, we understand that Wyoming's ITD and OCIO are not greatly different than other states' similar-purposed agencies. In short, the use of a CIO to act as the primary planner and guide for IT enterprise services appears to be the norm. In addition, for the states reviewed, consolidation appears to be incrementally pushed rather than the result of a clear executive or legislative mandate.

Also, service support funding is generally provided through a cost-based charge-back model where the service agency is funded by paying customer agencies. Finally, there does not appear to be a common strategy for states to pursue more coordinated or strategic planning for technology industry development.

In all, each state has its own customs and network of stakeholders. But it would be wise for the ITD and the OCIO to more fully investigate other states' lessons learned in a variety of areas discussed throughout our audit. This will help prepare these experts and those involved in system-level governance to provide options to its customer base and state elected leaders re: how best to improve the system and to gain stakeholder buy-in over the long term.

CHAPTER 9

Conclusion

The Management Audit Committee requested an audit of the Information Technology Division (ITD) and the Office of the Chief Information Officer (OCIO). In addition, it requested that auditors include information with respect to how other entities such as the University of Wyoming, community colleges, Wyoming Technology Organization, etc., work with the State to create an adequate technology infrastructure. More specifically, an infrastructure that will enhance IT expertise and encourage IT job growth and training in Wyoming.

On October 27th, 2009, the IT Optimization (ITO) Shared Services workshop was held in Cheyenne. Participating agencies collaborated in a spirit of goodwill, and identified areas where shared services could be used statewide.

However, after the OCIO received formal authority to plan for consolidation efforts in 2010, the goodwill and positive movement established during the earlier workshop essentially ceased. Primarily, agencies believed that consolidation efforts were not transparent, and their earlier concerns related to “*agencies giving up control*” were not appropriately addressed throughout the process. In addition, agencies believed the consolidation effort was also being pushed in a dictatorial manner.

Many agencies are now highly critical of the consolidation efforts doubting the motives of ITD and the CIO. There may also be a credibility problem wherein agencies are required to submit business cases for IT projects, but none has been submitted by the OCIO for consolidation to define details related to cost, time, size, and scope of each shared service to be consolidated.

Agency satisfaction with technical services takes a back seat to Other processes related to the review of IT purchases, ITD rate setting, as well as consolidation efforts are highly criticized by agencies, boards, and commissions. Because of the negativity

other concerns surrounding these issues, the fact that agencies are actually satisfied with technical services once provided by ITD, takes a back seat to more salient issues. As discussed earlier in the report, agencies actually report that they are 80% satisfied or somewhat satisfied once technical services are provided and believe these services are provided in a timely or somewhat timely manner 75% of the time. Agencies also appear to be satisfied with the timeliness by which ITD delivers service re: system definition and problem identification.

Simple solutions such as providing more communication related to the rate setting model, and allowing agencies to make IT related purchases under \$500 without OCIO approval could go a long way in reestablishing the goodwill that was evident during earlier meetings. Once the goodwill is reestablished, efforts towards consolidation could begin moving forward again, but in a slower more deliberate process where participating agencies are honestly brought into the process and feedback considered.

Governance Model appears to be sound, yet negativity hurts its perception

An interesting aspect with respect to the Governance Model is that it is often vilified by state agencies because of concern about statewide consolidation efforts, the OCIO's authority to review agency IT purchases, as well as rate setting. These concerns are actually separate from the hypothetical construct of how the Model is designed to work. The Model, as described in the Background section of this report, is actually well thought out and provides an appropriate mechanism for IT planning and policymaking in Wyoming.

The problem however, is how the Model, which is fundamentally sound, currently functions and interacts with Executive Branch agencies, boards, and commissions. The actual mechanics of the Model appear to provide a tremendous amount of angst, stress, and uncertainty among agencies and other entities. More specifically, examples include the area of IT purchase reviews, creating policy, etc. When adding the criticisms of the three aforementioned areas where agencies show the most distrust, any proposals by the Governance Model or its participants will more than likely be met with resistance.

Once goodwill is reestablished Once goodwill is reestablished, Wyoming is poised to take advantage of the change to move forward with a more deliberative approach towards proving shared services to agencies, boards, and commissions. In addition, participants at other levels of government such as the University of Wyoming will be more inclined to reach out to offices like the OCIO to further develop a statewide environment that will foster IT related development in academia, as well as Wyoming's economy.



AGENCY RESPONSE

**Information Technology Division and Office of Chief
Information Officer**





State of Wyoming

Matthew H. Mead
Governor

Flint Waters
Chief Information Officer

Office of the Chief Information Officer

DATE: June 1, 2011

TO: The Honorable John Schiffer, Chairman
The Honorable Michael K. Madden, Vice Chairman
Management Audit Committee

FROM: Flint Waters, CIO

SUBJECT: Agency Response to LSO Report: DEPARTMENT OF ADMINISTRATION & INFORMATION:
Information Technology Division and the Office of the Chief Information Officer

Thank you for the opportunity to review and respond to the findings contained within the LSO's management audit.

I would also like to take this opportunity to thank the staff of the Legislative Service Office responsible for this program evaluation. Their professionalism and willingness to work with our staff to develop understanding has been greatly appreciated by everyone involved.

This memorandum constitutes our response and addresses each of the official recommendations as listed on pages 5-6 of the LSO report.

RESPONSES TO RECOMMENDATIONS:

1. Chapter 2, Page 40 OCIO & ITD

The OCIO and ITD, should develop a clear and consistent inventorying process for state executive branch agencies; a comprehensive inventory should be conducted at least once each biennium to help assist in biennial budget preparations and in the development of the Wyoming State Biennial Technology Plan.

We agree with this recommendation.

Our intention is to investigate a previous initiative, "IT Capture", which would code and capture all IT assets based on fiscal encumbrance. This is an add-on module for the IBARS system. This would be done annually to be consistent with the current inventories. Upon capture (no extra survey/inventory required), an agency-consolidated report would be produced and released for information and verification.

CONFIDENTIAL DRAFT REPORT - RESPONSES

2. Chapter 3, Page 50 ITD

ITD should establish rates at the levels recommended from the CRIS software. If rates need adjustment because of unplanned factors, ITD should document the reasons and update customer agencies accordingly. Updates can be provided during the biennial rate-setting process and throughout the biennium if needed.

We agree with this recommendation.

We will more clearly communicate the methods used in determining the rates. We will implement steps to historically evaluate spending levels in determining future rate commitments. We will also implement a process to insure changes are communicated throughout the biennium. Future communications will include all impacted parties.

3. Chapter 3, Page 55 A&I

The Department should work with the State Auditor's Office to discuss possible updates or replacement of existing software to include features fully compatible with the State's accounting system.

This is not a matter for response from OCIO or ITD.

A & I Director's Response

The Department of Administration & Information (A & I) is currently in the process of obtaining a vendor to provide a new accounts receivable system which will be compatible with the State's accounting system. At this time, the department is in the process of obtaining a statement of work from the vendor and will be proceeding with the upgrade to the system over the next several months.

4. Chapter 4, Page 69 OCIO & ITD

The OCIO and ITD should work to develop an anonymous survey to agencies with respect to ITD provided services. In addition, other questions related to customer service should be asked as well (e.g. rate setting, purchasing processes, etc.).

We agree with this recommendation.

An effective survey solution is a critical need in any agency dedicated to customer service. We are pursuing this through the establishment of an enterprise-wide anonymity-capable survey application that agencies can utilize as needed. In terms of our plans to establish a process for any survey, we will insure questions and methods are formulated in conjunction with the IT governance model.

CONFIDENTIAL DRAFT REPORT - RESPONSES

5. Chapter 5, Page 75 Governor's Office

The Governor should reappoint members to the State Telecommunications Council or provide information to the Legislature if there is a reason to modify W.S. 9-2-1026.2.

This is not a matter for response from OCIO or ITD.

Governor's Office Response:

The Governor is currently reviewing the Telecommunications Council appointments in conjunction with current challenges like the expansion of Wyoming broadband infrastructure and the pending D-Block federal legislation.

6. Chapter 5, Page 75 OCIO & ITD

If the Governor reappoints members to the State Telecommunications Council, the OCIO and ITD should work with the new Council to ensure statutory responsibilities of W.S. 9-2-1026.2 are carried out.

We agree with this recommendation.

When the Governor appoints members to the State Telecommunications Council, the OCIO and ITD will comply with W.S. 9-2-1026.2 with immediacy and transparency.

7. Chapter 6, Page 84 OCIO

The OCIO should promulgate rules with respect to the structure and activities of the Governance Model. Rules should clearly articulate the processes involved with its activities.

We agree with this recommendation.

We will review the existing charter for these entities and establish rules as appropriate to better articulate the structure and purpose.

8. Chapter 6, Page 84 OCIO

The OCIO should modify purchasing policy and allow agencies to make IT-related purchases under \$500 without OCIO approval.

We agree with this recommendation.

This is an area where there is a clear need for immediate improvement. We will be considering the following policy change effective July 1, 2011:

Agencies making Information Technology purchases under \$500 per item must submit an IT purchase authorization form to the OCIO. Items purchased for \$500 or under must submit a spreadsheet detailing those purchases at the end of each purchasing quarter. These items will be considered to be pre-approved by OCIO within the restriction of existing standards, security and procurement policies. The spreadsheets shall be compiled for IT expense reporting.

CONFIDENTIAL DRAFT REPORT - RESPONSES

9. Chapter 6, Page 95 OCIO & Governor's Office

The OCIO and the Governor's Office should reevaluate efforts to move Wyoming towards IT consolidation and ensure that efforts are transparent and that agencies are able to provide communication related to the process. In addition, proposals related to statewide consolidation should be supported by sufficient financial and other information via a business case plan.

We somewhat agree with this recommendation and provide the following clarification.

The OCIO will review all existing documentation on consolidation and will continue to improve the transparency of the process. We will implement a shared discussion forum for state employees on this and other IT matters.

We see the next steps in the consolidation process as:

- a. Review the Governor's Core Objectives for Service Delivery to the citizens of Wyoming.*
- b. The OCIO will clearly delineate a vision and strategy (with priority initiatives).*
- c. This strategy will be vetted through the Governance Model.*
- d. The resulting consensus will be presented as a plan of action with cost/benefit analysis to the Governor and the Joint Appropriations Committee for their input and approval.*

Governor's Office Response:

The Governor's Office is evaluating the topic of Information Technology consolidation and will determine additional steps toward the goal attainment once the evaluation is complete.

10. Chapter 7, Page 109 OCIO

The OCIO should work with the University of Wyoming, Wyoming Business Council, the Wyoming Technology Business Center, and Department of Workforce Services to develop a plan to reinvigorate earlier efforts by the Legislature to encourage diversification of Wyoming's IT industry and infrastructure. Such a plan should be drafted and presented to the Legislature prior to additional funding.

We agree with this recommendation.

We welcome the opportunity to participate in the State's efforts to encourage diversification in Wyoming's IT industry and infrastructure.

APPENDICES

**Information Technology Division and the Office of the
Chief Information Officer**



APPENDIX A

Selected Statutes – Office of the Chief Information Officer and the Information Technology Division

TITLE 9	ADMINISTRATION OF THE GOVERNMENT
CHAPTER 1	STATE OFFICERS
ARTICLE 2	GOVERNOR

9-1-222. State chief information officer; duties.

(a) The governor is authorized to employ a state chief information officer. The chief information officer shall carry out the following duties:

- (i) Develop a biennial information technology plan for the executive branch;
- (ii) Implement and maintain an information technology governance program for the executive branch;
- (iii) Establish review criteria for executive branch information technology projects and major purchases;
- (iv) Develop and implement recommendations for the proper management of executive branch information technology resources;
- (v) Review and make recommendations to the governor concerning information technology budget requests made by executive branch agencies;
- (vi) Adopt technical information technology policies and standards and ensure agency compliance with the policies and standards;
- (vii) Recommend information technology procurement improvements;
- (viii) Develop and promote information technology training programs for all branches of government;
- (ix) Encourage information technology coordination, information sharing and collaboration among all branches and levels of government in Wyoming;
- (x) Enhance geographic information systems coordination among all governmental users of geographic information systems;

- (xi) Carry out the duties prescribed by W.S. 9-2-2501 and 9-2-1026.2(k).
- (b) The provisions of subsection (a) of this section shall be applied as follows:
 - (i) The University of Wyoming and Wyoming community colleges shall not be subject to the provisions of paragraphs (a)(i) through (vii) of this section;
 - (ii) The game and fish department and the department of transportation shall not be subject to paragraphs (a) (iii) and (iv) of this section;
 - (iii) State entities exempted from the provisions of subsection (a) of this section, and the judicial and legislative departments of state government may adhere to the standards, policies and plans developed pursuant to subsection (a) of this section to the extent feasible, as determined by the entity or the department of government, as applicable.

TITLE 9 ADMINISTRATION OF THE GOVERNMENT
CHAPTER 2 AGENCIES, BOARDS, COMMISSIONS AND DEPARTMENTS
ARTICLE 10 DEPARTMENT OF ADMINISTRATION AND INFORMATION

9-2-1001. Creation.

The department of administration and information is created.

9-2-1002. Definitions: powers generally; duties of governor; provisions construed; cooperation with legislature and judiciary; divisions enumerated.

(a) As used in this act:

- (i) "Agency" means an office, department, board, commission or operating unit of the executive branch of state government;
- (ii) "Department" means the department of administration and information;
- (iii) "Entity" means any governmental unit, special district, corporation, partnership or person which will receive a legislative appropriation, directly or indirectly, excluding the legislature, the judiciary and the Wyoming department of transportation, game and fish department except as provided in W.S. 23-1-502(d), counties, municipalities and school districts;
- (iv) "Exception budget" means a budget prepared by an entity containing requests for appropriations which vary from the standard budget as prepared by the budget division or otherwise represents additional or increased services. The agency shall justify the new or increased services and describe all new staff, support services and additional equipment which will be required. The exception budget shall also be used to describe any decreases in nongeneral fund revenues formally supporting an entity's services and for which a general fund appropriation is being requested;
- (v) "Executive branch" means the executive department of state government established by article 2, section 1 of the Wyoming constitution;
- (vi) Repealed By Laws 1997, ch. 178, § 2.
- (vii) "Legislature" means the legislative department of state government established by article 2, section 1 of the Wyoming constitution;
- (viii) "Judiciary" means the judicial department of state government established by article 2, section 1 of the Wyoming constitution;

- (ix) "Standard budget" means a budget enabling an entity to continue to furnish the same level of services during the ensuing biennium and shall reflect the revenue or appropriation necessary to provide the services. The budget shall include all personnel approved in the preceding biennial budget, a supportive service category and the amount of revenue generated by the entity during the preceding biennium and estimated revenue for the ensuing biennium regardless of the fund to which the monies were deposited. The standard budget shall not include any personnel other than those specifically authorized in the preceding biennial budget. The standard budget shall not include requests for any equipment, any special projects and services nor any requests for special or nonrecurring funding. The limitations regarding authorized personnel and equipment requests in this paragraph shall not apply to the University of Wyoming;
- (x) "This act" means W.S. 9-2-1001 through 9-2-1026.13;
- (xi) "Contract employee" means an employee who is hired by any agency for a limited period of time, pursuant to rules promulgated by the human resources division in W.S. 9-2-1022(a)(xi)(F);
- (xii) "Base budget" means a budget containing all legislative appropriations as defined by W.S. 9-2-1013(d)(iv), which shall be prepared by the division for each entity containing all programs for the biennium preceding the biennium for which a standard budget is being prepared pursuant to this act. The base budget and all information accompanying the base budget as required by this act shall be of sufficient detail to parallel components of the standard budget prepared for each entity under this act.

(b) The department may assist the governor in discharging his duties as chief executive and administrative officer of the executive branch of government of the state of Wyoming. The governor through the department shall:

- (i) Improve techniques used for management of state government;
- (ii) Coordinate, consolidate and provide services which are used by more than one (1) agency;
- (iii) Review agency programs, expenditures and management to identify problems and suggest improvements;
- (iv) Promote economy and efficiency in government; and
- (v) Establish uniform standards of administration.

(c) This act shall be construed to provide the governor, through the department, with a more coordinated and responsive system of management of the executive branch of state government, and to preserve and protect the separation of powers mandated by article 2, section 1 of the Wyoming constitution. The legislature and the judiciary shall cooperate with the department and may utilize the services and assistance of the department to achieve economy in government, but procedures affecting the administration of the legislature shall be determined by the legislature and the management council, and procedures affecting the administration of the judiciary shall be determined by the judges

for their respective courts, and they shall not be bound by rules and regulations promulgated by the department.

(d) The department shall consist of the following divisions in addition to the office of the director of the department:

- (i) Budget division;
- (ii) General services division;
- (iii) Human resources division;
- (iv) Information technology division;
- (v) Repealed By Laws 1997, ch. 178, § 2.
- (vi) Economic analysis division;
- (vii) Repealed by Laws 1989, ch. 178, § 3.
- (viii) Repealed by Laws 1989, ch. 178, § 3.
- (ix) Repealed By Laws 1997, ch. 178, § 2.
- (x) State library division.

9-2-1003. Director and division administrators; appointment; removal; powers of director.

(a) The governor shall appoint a director of the department with the advice and consent of the senate who shall be the department's executive and administrative head, and who shall hold an ex officio seat on all boards and councils which advise or are within the department.

(b) With the approval of the governor, the director may appoint administrators for each of the divisions. The governor may remove the director and division administrators as provided in W.S. 9-1-202.

9-2-1018. Information technology division; powers and duties.

(a) The department through the information technology division shall:

- (i) Develop and provide computer and data processing services to the judiciary, the legislature and agencies excluding the University of Wyoming and community colleges. Central delivery of common services shall be promoted to the extent that they encourage a more economical and efficient operation of state programs, while maintaining a compatibility of hardware and software among state agencies, the legislature and the judiciary;

- (ii) Repealed by Laws 2006, Chapter 102, § 2.
 - (iii) Upon request of any state agency provide information and recommendations regarding the installation and acquisition of computer and data processing equipment, the qualifications of data processing personnel and software systems required by the agency. The information and recommendations shall be directed to advising the agency how to comply with the uniform standards, minimize duplication and promote effectiveness in the collection, storage, interchange, retrieval, processing and transmission of information;
 - (iv) Repealed By Laws 1997, ch. 178, § 2.
 - (v) Repealed By Laws 1997, ch. 178, § 2.
 - (vi) Maintain and repair office machines owned by agencies.
- (b) Repealed By Laws 2006, Chapter 102, § 2.
- (c) Repealed By Laws 2006, Chapter 102, § 2.
- (d) Repealed by Laws 1995, ch. 70, § 2.
- (e) Repealed by Laws 1995, ch. 70, § 2.
- (f) As used in this section:
- (i) Repealed By Laws 2006, Chapter 102, § 2.
 - (ii) "Data processing equipment" means all mainframe computers, all minicomputers, all personal computers and all related peripheral equipment;
 - (iii) "Data processing software" means all purchased or developed software for any mainframe computer, any minicomputer or any personal computer.

9-2-1026.1. Duties performed through information technology division.

- (a) In addition to other duties prescribed by law, the department through the information technology division shall:
- (i) Establish and promulgate rules and regulations governing the use and funding of telecommunications services, equipment, software and networks;
 - (ii) In consultation with state agencies including state and educational institutions and the state telecommunications council, develop recommendations for a current and long-range telecommunications transport service plan for state government and higher education involving telephone, radio, microwave, facsimile, closed circuit television, teleconferencing, interactive educational training, public radio, public television, data communications, transmission circuits, fiberoptics, satellites and cellular radio and the

integration of these mediums into applicable telecommunications networks. The plan shall be submitted to the governor and director of the department for approval;

- (iii) Administer the approved current and long-range plan for telecommunications and coordinate the telecommunications transport service network;
- (iv) Review all existing and future telecommunications planning, networks, systems and programs and recommend priorities therefor in accordance with the purposes of this section and W.S. 9-2-1026.2;
- (v) As appropriate, coordinate the acquisition of compatible telecommunications equipment, software and licensure for telecommunications transport service networks with all agencies including state and educational institutions;
- (vi) Subject to exceptions provided under subsection (b) of this section, establish telecommunications procedures, standards and records for management of telecommunications transport service networks and facilities for all agencies including state and educational institutions;
- (vii) Review, assess and insure compliance with federal and state telecommunications regulations governing the needs and functions of agencies and state and educational institutions for telecommunication transport services;
- (viii) Advise the governor and the legislature on telecommunications matters;
- (ix) Provide telecommunications services including billing, installation and repair of telephone services including interstate and intrastate long distance, to agencies, state and educational institutions and local governmental entities as appropriate;
- (x) Represent the needs and interests of telecommunications users of the state in proceedings before the Wyoming public service commission, the federal communications commission and other governmental regulatory agencies as appropriate;
- (xi) Coordinate telecommunications network training;
- (xii) Repealed By Laws 1997, ch. 178, § 2.
- (xiii) Provide necessary administrative and clerical assistance to the public safety communications commission established under W.S. 9-2-1101.

(b) Notwithstanding subsection (a) of this section:

- (i) The director of the Wyoming department of transportation and the colonel of the Wyoming highway patrol shall administer and control the operation, maintenance and conduct of the two-way, land based mobile and related facilities for the law enforcement and maintenance radio-microwave systems specifically provided by the department and patrol and performed by radio technicians, dispatchers and telephone operators. The department shall provide and accommodate agency and institutional

service needs as approved jointly by the telecommunications division and the department and as agency and institutional budgets allow;

- (ii) The attorney general shall administer and control the operation and conduct of the criminal law enforcement system and shall coordinate statewide telecommunications network services under this system through the information technology division;
- (iii) The University of Wyoming and community college districts shall administer the operation and control of telephone data and video systems on the respective campuses and the telecommunications division shall coordinate statewide telecommunications network services under these systems. The University of Wyoming and Colorado State University shall operate and control the microwave link between the two (2) institutions;
- (iv) Telecommunications transport service requirements for any agency including state and educational institutions shall be coordinated through the information technology division;
- (v) Any public broadcasting service operating in the state shall be responsible for its operational services and federal licensing. The information technology division shall assist in the coordination of any required statewide telecommunications transport services as appropriate;
- (vi) The state public safety communications commission established under W.S. 9-2-1101 shall coordinate its statewide telecommunications transport service requirements through the information technology division;
- (vii) Repealed by Laws 1994, ch. 48, § 2.
- (viii) An agency may independently contract with a private service provider to obtain telecommunications services, equipment, software and networks, provided:
 - (A) The services, equipment and software meet compatibility standards established by the division; and
 - (B) The agency's action will result in at least ten percent (10%) savings compared to the cost of similar services, equipment and software provided through the division.

(c) As used in this section, "telecommunications transport services" means the telecommunication transmission facilities under which voice, data and video communications are distributed between distant locations for use by state agencies, institutions and instructional institutions on a shared basis.

(d) In addition to subsection (a) of this section, the information technology division of the department may, through the infrastructure network developed under the statewide education technology plan in accordance with W.S. 21-2-202(a)(xx), provide telecommunications services to:

- (i) Private schools if the department, through the information technology division, determines network capacity is sufficiently available and private schools accessing the

- network reimburse the division for the costs of services provided under this subsection, including proportionate overhead and administrative costs;
- (ii) Private health care providers if services are requested by the department of health under this subsection. The department of health shall:
- (A) Determine health care services necessary for the effective and efficient operation of a tele-health network in the state;
 - (B) Notify the department in writing of the services deemed necessary;
 - (C) Reimburse the department for costs incurred for the provision of telecommunications services under this subsection from funds available for this purpose, including proportionate overhead and administrative costs;
 - (D) Develop charges for telecommunication services that cover the costs of the provision of telecommunication services to private health care providers; and
 - (E) In providing or facilitating the provision of services under this section, the department of health shall determine that services are not reasonably available from other sources.

9-2-1026.2. State telecommunications council; membership; vacancies; chairman; expenses; duties; state chief information officer to assist; cooperation with other entities; annual report.

- (a) Repealed by Laws 1994, ch. 48, § 2.
- (b) Repealed by Laws 1994, ch. 48, § 2.
- (c) Repealed by Laws 1994, ch. 48, § 2.
- (d) Repealed by Laws 1994, ch. 48, § 2.
- (e) Repealed by Laws 1994, ch. 48, § 2.
- (f) The state telecommunications council is established and shall be comprised of nine (9) members appointed by the governor from the public at-large and approved by the senate. Members approved under this subsection shall have demonstrated an interest and involvement with telecommunications issues through participation in business, public and postsecondary education, government, libraries or other entities involved in the dissemination or receipt of information and shall reflect the diverse needs of telecommunications in Wyoming.
- (g) Members shall each serve a term of four (4) years and may be appointed to more than one (1) term. Council members shall select a chairman from among its membership.
- (h) Any vacancy in a council membership shall be filled by the governor consistent with the criteria imposed under subsection (f) of this section and W.S. 28-12-101. The governor may remove any council member as provided under W.S. 9-1-202.

- (j) The council shall meet not less than quarterly each year. Members shall receive reimbursement for necessary travel and per diem expenses in the manner and amount provided for state employees under W.S. 9-3-102 and 9-3-103.
- (k) The state chief information officer shall provide administrative and clerical services to the council. The state chief information officer or his designee shall serve as executive secretary to the council.
- (m) The council shall develop goals and plans, both long range and short range, to meet the telecommunication needs of the state and its citizens, in consultation with:
- (i) The affected public; and
 - (ii) Appropriate state agencies, educational entities, private industry and other entities.
- (n) The council shall inventory current telecommunications infrastructure, solicit comments and recommendations on needs, practices and technologies for providing telecommunications services in the most efficient manner possible, accommodate economic growth and development in the state and enhance educational opportunities at all levels of instruction.
- (o) The council shall annually report the plans and recommendations developed under subsection (m) of this section to the governor and the joint corporations, elections and political subdivisions interim committee.

ARTICLE 11 - PUBLIC SAFETY COMMUNICATIONS COMMISSION**9-2-1101. Commission; created; definitions.**

- (a) The public safety communications commission is created.
- (b) As used in W.S. 9-2-1101 through 9-2-1104:
 - (i) "Public safety agency" means any federal, state or political subdivision entity that provides emergency and public safety services, including state agencies employing peace officers enumerated in W.S. 6-1-104(a)(vi)(C) through (F) and approved for participation by the communications commission, fire management services, correctional services, emergency management, emergency and disaster relief services and if desired, county, municipal and federal law enforcement agencies;
 - (ii) "System" means the wireless communications network providing regional and statewide radio communications capabilities to public safety agencies.

9-2-1102. Commission; composition; appointment of members; removal; terms; officers; vacancies; meetings.

- (a) The commission shall consist of seventeen (17) voting members to be appointed by the governor and who may be removed by the governor as provided in W.S. 9-1-202. The seventeen (17) members shall be appointed from each of the following associations and agencies from their membership:
 - (i) Wyoming police chiefs association;
 - (ii) Wyoming sheriffs association;
 - (iii) Division of criminal investigation, office of the attorney general;
 - (iv) Wyoming game and fish department;
 - (v) Wyoming department of transportation;
 - (vi) Wyoming livestock board;
 - (vii) Department of state parks and cultural resources;
 - (viii) Wyoming fire chiefs' association;
 - (ix) Wyoming state fire marshal;
 - (x) Wyoming office of homeland security;
 - (xi) The public at large;

- (xii) An ambulance and emergency medical services organization;
- (xiii) Municipal government or a municipal government association;
- (xiv) County government or a county government association;
- (xv) Wyoming department of health;
- (xvi) Tribal government or a tribal government association; and
- (xvii) Federal government or a federal government association.

(b) Repealed by Laws 1991, ch. 121, § 2.

(c) The commission shall elect from its members a chairman, a vice-chairman and a secretary. Vacancies in these offices shall be filled by the commission from its membership. The commission shall meet at least once every three (3) months. Appointments by the governor shall be made within thirty (30) days of expiration of membership terms. Nominee lists shall be furnished within ten (10) days upon expiration of any membership term. Each member shall serve a three (3) year term. A vacancy on the commission shall be filled for the unexpired term by the governor.

9-2-1103. Commission; compensation of members.

Members of the commission shall receive mileage and per diem provided state employees.

9-2-1104. Commission; powers and duties; advisory capacity to promote system development; public meetings; clerical and administrative support.

(a) The commission shall:

- (i) Work with the administrator of the information technology division of the department of administration and information and the department of transportation in an advisory capacity to promote the development, improvement and efficiency of public safety communications systems in the state;
- (ii) Report in writing each year in October to the governor concerning any problems related to the installation, operation and maintenance of the system and shall make any recommendations it deems appropriate as a part of the report;
- (iii) Submit a plan for statewide system networking to the administrator of the information technology division for inclusion in the statewide telecommunications plan developed pursuant to W.S. 9-2-1026.1(a);
- (iv) In cooperation with participating federal agencies, establish and assess user fees upon any federal law enforcement agency electing to use and participate in the system;

- (v) Promulgate necessary rules and regulations governing system operation and participation and upon failure to comply with adopted rules and regulations, may suspend system use and participation by any participating and noncomplying public safety agency or private entity;
- (vi) Determine the participation of public safety agencies and private entities in the wireless communications network.

(b) The commission may hold public meetings throughout the state and may take other appropriate measures to maintain close liaison with regional, county and municipal organizations and agencies involved in the system.

(c) Necessary clerical and administrative support for the commission shall be furnished in accordance with W.S. 9-2-1026.1(a)(xiii).

9-2-1105. Repealed By Laws 2004, Chapter 41, § 2.

9-2-1106. Repealed By Laws 2004, Chapter 41, § 2.

ARTICLE 25 - GOVERNMENT ELECTRONIC TRANSACTIONS**9-2-2501. Chief information officer; duties; electronic transaction of business.**

(a) Repealed By Laws 2005, ch. 174, § 3.

(b) The state chief information officer may provide for any state agency business to be conducted electronically in accordance with rules adopted under this section and in conformity with the provisions of the Uniform Electronic Transactions Act in title 40, chapter 21. No state agency shall be required by the chief information officer to conduct business electronically. Any state agency desiring to conduct business electronically shall adopt the procedures contained in rules of the chief information officer.

(c) The chief information officer may enact rules he deems necessary to implement this section subject to the provisions of the Uniform Electronic Transactions Act in title 40, chapter 21. The rules shall at a minimum:

- (i) Establish standards for all state agencies conducting business electronically;
- (ii) Establish parameters for ensuring security in conducting state agency business electronically;
- (iii) Establish authorized methods and requirements for conducting business electronically and authenticating identifications. The rules shall require that each individual required by applicable statute or rule to sign any document be specifically identified as acknowledging the document and giving assent to the electronic transmission through a key encryption or other identification procedure unique to that individual;
- (iv) Prescribe a procedure for certification by a state agency of information transmitted electronically; and
- (v) Prescribe a procedure for converting information transmitted electronically to paper and certifying the paper copy for persons requiring paper copies.

(d) In adopting rules the chief information officer shall consider whether the rule will allow for efficient, safe, secure and accurate transactions.

(e) Notwithstanding any other provision of law requiring a manual or facsimile signature on information filed with a state agency any information filed electronically which meets the requirements of the rules adopted pursuant to this section shall be considered to be lawfully filed with the state agency for all legal purposes if that agency has authorized the electronic filing.

(f) Nothing in this section shall be construed to affect any requirement of statute or rule that a particular individual or officer of an organization acknowledge a document. Any person using a key encryption or other identification procedure in place of a manual or facsimile signature for any filing

under this section shall be subject to the same civil and criminal penalties applicable to persons providing a manual or facsimile signature.

(g) A state agency shall not be liable for any loss or damages arising from errors in or omissions from information filed electronically.

(h) No statutory provision which authorizes facsimile or electronic filing with any state agency shall be superseded by this section or any rule of the chief information officer adopted pursuant to this section.

(j) As used in this section, "state agency" means any authority, bureau, board, commission, department, division, institution or officer of the state, except the state legislature and the judiciary.

CHAPTER 21 - UNIFORM ELECTRONIC TRANSACTIONS ACT

40-21-101. Short title.

This act may be cited as the "Uniform Electronic Transactions Act."

40-21-118. Acceptance and distribution of electronic records by governmental agencies.

(a) Except as otherwise provided in W.S. 40-21-112(f), each governmental agency of this state shall determine whether, and the extent to which, governmental agency will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use and rely upon electronic records and electronic signatures.

(b) To the extent that a governmental agency uses electronic records and electronic signatures under subsection (a) of this section, the state chief information officer shall promulgate rules in accordance with the Wyoming Administrative Procedure Act to specify for state agencies:

- (i) The manner and format in which the electronic records must be created, generated, sent, communicated, received and stored and the systems established for those purposes;
- (ii) If electronic records must be signed by electronic means, the type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record and the identity of, or criteria that must be met by, any third party used by a person filing a document to facilitate the process;
- (iii) Control processes and procedures as appropriate to ensure adequate preservation, disposition, integrity, security, confidentiality and auditability of electronic records; and
- (iv) Any other required attributes for electronic records which are specified for corresponding nonelectronic records or reasonably necessary under the circumstances.

(c) Except as otherwise provided in W.S. 40-21-112(f), this act does not require a governmental agency of this state to use or permit the use of electronic records or electronic signatures.

40-21-119. Interoperability.

The state chief information officer in adopting standards pursuant to W.S. 40-21-118 may encourage and promote consistency and interoperability with similar requirements adopted by other governmental agencies of this and other states and the federal government and nongovernmental persons interacting

with governmental agencies of this state. If appropriate, those standards may specify differing levels of standards from which governmental agencies of this state may choose in implementing the most appropriate standard for a particular application.



APPENDIX B

BFY 2011 ITD Rate Schedule

INFORMATION TECHNOLOGY DIVISION			
Code	Service	FY 09/10 Rates	FY 11/12 Rates
ITD Application Development & Maintenance			
0630	Programmer Hourly Time (per hour)	\$85.00	\$84.62
	Non Mainframe Maintenance (per application)		
0637	Minimal	\$480.00	\$481.45
0636	Moderate	\$960.00	\$972.53
0635	Extensive	\$1,600.00	\$1,710.12
ITD E-Mail Service			
	E-mail Hosting (per mailbox)		
0770	0-150 MB	\$7.50	\$11.73
0771	151-500 MB	\$14.00	\$20.94
0772	501-1 GB	\$20.00	\$27.58
0775	Anti-Virus & Spam Filtering for waived agencies	\$4.00	\$4.00
	E-Mail Archiving	\$8.00	N/A
	E-Mail Vault	\$2.00	N/A
ITD Equipment Service Center Service			
0562	Equipment Service Center (per computer)	\$13.33	\$13.20
			Billed annually
ITD Hosting Services			
0700	Database Service (per gigabyte)	\$20.00	\$38.01
0725	Listserve and Certificates	New Metric	\$16.31
0720	Listserve Hosting (per list)	New Metric	
0730	SSL Server Certificate (per certificate)	\$15.00	
0731	UCC Certificate (per certificate)	\$60.00	
0805	Server Services	New Metric	\$259.97
0800	Virtual Servers (per server)	\$90.00	
0740	Eportal Common Services (per functional use)	\$200.00	
0571	Web Application Hosting (per application)	\$250.00	
0580	Web Hosting (per site)	\$20-\$125	\$41.89
0650	DBA Support (per hour)	\$85.00	\$86.17
0592	Data Center Administration (per server)	\$500.00	N/A
	Storage Service (per 100MB)	New Metric	N/A
0591	Data Center Housing (per U)	\$27 or \$9	\$22.70
ITD Information Security Service (ISS)			
0555	Computer Counts	N/A	\$1.25
			Billed annually

FY 11/12 ITD/Telecom Rates
 ** Administration Charge above and beyond actual cost of service provided.

Exception Items = Orange Italics

1/27/2010

INFORMATION TECHNOLOGY DIVISION				
Code	Service	FY 09/10 Rates	FY 11/12 Rates	Notes
ITD Mainframe Adabas Services				
0901	Adabas Services (per CPU second)	\$0.75	\$0.76	
ITD Mainframe Batch Services				
0001	Mainframe Batch Services (per CPU second)	\$1.25	\$1.19	
ITD Mainframe CICS Services				
0900	Mainframe CICS Service (per 100K)	\$1.40	\$1.40	
ITD Mainframe Disk Space Storage				
0390	Mainframe Disk Storage (per 1000 track hour)	\$0.01	\$0.01	
ITD Mainframe Print Service				
0038	Mainframe Impact Print (per 1000 lines)	\$2.50	\$2.56	
0043	Mainframe Laser Print (per page)	\$0.06	\$0.06	
ITD Mainframe Tape Storage				
0053	Mainframe Tape Storage (per 1000 I/O)	\$2.25	\$3.19	
ITD Mainframe TSO Services				
0085	Mainframe TSO Services (per CPU second)	\$0.75	\$0.76	
ITD Mainframe User Access				
0550	Mainframe User Access (per user ID)	\$7.50	\$8.21	
ITD MIS Services				
0750	MIS Gold (workstation/laptop/server)	\$31.25	\$33.55	Billed annually
0752	MIS Silver (workstation/laptop/server)	\$19.17	\$21.03	Billed annually
	<i>MIS Emergency Support (per support hour)</i>	<i>\$65.00</i>	<i>\$73.64</i>	
ITD MOU Established Services				
0595	Network Fail Over (per agency)	\$270.00	\$270.00	
	SSN Obfuscations			
0530	Level 1	\$30.00	\$30.00	
0530	Level 2	\$50.00	\$50.00	

Exception Items = Orange Italics

FY 11/12 ITD/Telecom Rates

** Administration Charge above and beyond actual cost of service provided.

1/27/2010

INFORMATION TECHNOLOGY DIVISION			
Code	Service	FY 09/10 Rates	FY 11/12 Rates
ITD Network Services			
0563	Total Network Connections (per connection point)		\$34.87
	Edge Devices	Ranges \$40 to \$160	
	PC/Laptop/Video	\$40.00	
	Server/Wireless Access Point	\$55.00	
	Networked Printer/Copiers/Plotter	\$0.00	
	Public Wireless (per location)	\$0.00	
	VPN Access (per unit-not on-network-contractors)	\$0.00	
ITD Tivoli Service			
0761	Mainframe Tivoli Transfer (per GB)	\$1.00	\$1.61
0760	Tivoli Storage (per GB)	\$3.00	\$3.23
ITD/Telecommunications Pass Through Charges			
	All Pass Through Charges (based on actual use)	Pass Thru	5.05%
<i>1140</i>	<i>Directory Services</i>		New **
<i>1803</i>	<i>Directory Listings</i>		<i>See All Pass Through Charges **</i>
1416	Language Translation Service		<i>See All Pass Through Charges **</i>
1421	Teleconferencing (Leader Phone)		<i>See All Pass Through Charges **</i>
1410	Independent Carriers		<i>See All Pass Through Charges **</i>
1410	Direct Charge- Monthly Vendor		<i>See All Pass Through Charges **</i>
1411	Direct Bill- Occasional Charges		<i>See All Pass Through Charges **</i>
1802	Off Premise Extensions		<i>See All Pass Through Charges **</i>
1102	Circuit Charges		<i>See All Pass Through Charges **</i>
1210	Network/Frame Relay Circuit Charges		<i>See All Pass Through Charges **</i>
1220	Last Mile Circuit Charges		<i>See All Pass Through Charges **</i>
1823	BRI ISDN Circuit		<i>See All Pass Through Charges **</i>
<i>1181</i>	<i>Telecom Work Order Services</i>		<i>See All Pass Through Charges **</i>
<i>1180</i>	<i>Telecom Equipment for Resale</i>		<i>See All Pass Through Charges **</i>
<i>1165</i>	<i>Telecom Contract Hourly Charge</i>		<i>See All Pass Through Charges **</i>
<i>1419</i>	<i>Telecom Work Order Material & Travel</i>		<i>See All Pass Through Charges **</i>
1380	Video Maintenance		<i>See All Pass Through Charges **</i>
1700	WEN		<i>See All Pass Through Charges **</i>
<i>0634</i>	<i>MSA Service</i>		<i>See All Pass Through Charges **</i>
0561	ESC Chargeback		<i>See All Pass Through Charges **</i>
0610	Gartner, Inc. (Seats)		<i>See All Pass Through Charges **</i>

FY 11/12 ITD/Telecom Rates
 ** Administration Charge above and beyond actual cost of service provided.

Exception Items = Orange Italics

1/27/2010

INFORMATION TECHNOLOGY DIVISION				
Code	Service	FY 09/10 Rates	FY 11/12 Rates	Notes
Telecommunications Automated Answering Services				
1825	Automated Attendant/Caller Application (per service)	\$30.00	\$51.15	
1801	Interactive Voice Response (per service)	\$150.00	\$169.82	
Telecommunications Cellular Services				
1819	Cellular Service (per device)	\$3.00	\$4.45	**
Telecommunications Notifylink/Blackberry Enterprise Service (BES)				
1503	Notifylink/BES (per device)	\$36.00	\$39.70	**
Telecommunications Video Conferencing				
1310	Scheduling /Set-up Fee (per Monday-Friday event)			
	Gov/Education & Non-Profit	\$25.00	\$25.00	
	Private Industry	\$50.00	\$50.00	
	Scheduling/Set-up Fee (per Sat & Sun event)			
	Gov/Education & Non-Profit	\$25.00	\$25.00	
	Private Industry	\$50.00	\$50.00	
	Site Fee (per Hour/per Site) No/TA			
	Gov/Education & Non-Profit	\$10.00	\$10.00	
	Private Industry	\$20.00	\$20.00	
	Site Fee (per Hour/per Site) w/TA			
	Gov/Education & Non-Profit	\$15.00	\$15.00	
	Private Industry	\$30.00	\$30.00	
	Outside Port/Bridge Fee (per Hour/per Site)			
	Gov/Education & Non-Profit	\$5.00	\$5.00	
	Private Industry	\$10.00	\$10.00	
1330	Recording Fee	\$12.00	\$12.00	
1320	Video Cancel - Short Notice	100.00%	100.00%	
Telecommunications Voice Services				
1809	Desk Phone (per device)	\$20.00	\$11.71	
1807	Voice Ports and Cabling (per voice port)	N/A	\$14.32	New
1815	Voicemail (per box)	\$6.00	\$6.15	
1130	Long Distance In State & Out-of-State (per minute)	\$0.15	\$0.10	
1135	Long Distance International (per minute)	\$0.56	\$0.62	
1138	800 Service (per minute)	\$2.00	\$0.12	New Metric
1130	Calling Card Services (per minute)	\$0.00	\$0.25	New

1/27/2010

FY 11/12 ITD/Telecom Rates
 ** Administration Charge above and beyond actual cost of service provided.

Exception Items = Orange Italics

APPENDIX C

LSO Survey of State Agencies – Tabulated Results

- Notes:** 1. For many questions we asked, there were multiple sub-items to the question and the results were tabulated based on each separate item. For example, for Question 9, there were four separate items within the question: whether OCIO polices are clear, whether OCIO policies are reasonable, whether OCIO standards are clear, and whether OCIO standards are reasonable.
2. Some agencies did not respond to our questions under the options we presented. We categorized these responses as “Not Applicable” within the summary tables below, but some of these responses were analyzed in combination with the agencies’ free responses and comments to each question.
3. Percentage totals for some questions may not add up to 100% due to rounding.

Q 1: Has your agency received information technology (IT) services or assistance with proposed projects and through ITD since FY 2001?		
Yes	51	89%
No	6	11%

Q 2: Is ITD's biennial rate-setting process clear?		
Yes	11	19%
No	14	25%
Somewhat Clear	25	44%
Not Applicable	7	12%

Q 3: Are ITD's biennial rates reasonable?		
Yes	14	25%
No	11	19%
Somewhat Reasonable	22	39%
Not Applicable	10	18%

Q 4: Generally, rate the effectiveness of ITD with respect to providing telecommunications services to agencies pursuant to W.S. 9-2-1026.1.		
Effective	31	54%
Not Effective	2	4%
Somewhat Effective	17	30%
Not Applicable	7	12%

Q 5a: Generally, rate the effectiveness of ITD with respect to developing an inventory of computer hardware and software across executive branch agencies.		
Effective	14	25%
Not Effective	17	30%
Somewhat Effective	8	14%
Not Applicable	18	32%

Q 5b: Generally, rate the effectiveness of OCIO with respect to developing an inventory of computer hardware and software across executive branch agencies.		
Effective	9	16%
Not Effective	16	28%
Somewhat Effective	10	18%
Not Applicable	22	39%

Q 6a: Generally, rate the effectiveness of ITD with respect to developing an inventory of data centers and servers across executive branch agencies.		
Effective	11	19%
Not Effective	12	21%
Somewhat Effective	14	25%
Not Applicable	20	35%

Q 6b: Generally, rate the effectiveness of OCIO with respect to developing an inventory of data centers and servers across executive branch agencies.		
Effective	8	14%
Not Effective	17	30%
Somewhat Effective	9	16%
Not Applicable	23	40%

Q 7a: Generally, rate the effectiveness of ITD with respect to advising agencies when services or projects are not consistent with enterprise initiatives.		
Effective	13	23%
Not Effective	15	26%
Somewhat Effective	16	28%
Not Applicable	13	23%

Q 7b: Generally, rate the effectiveness of OCIO with respect to advising agencies when services or projects are not consistent with enterprise initiatives.		
Effective	11	19%
Not Effective	16	28%
Somewhat Effective	14	25%
Not Applicable	16	28%

Q 8: Are the information technology policies and standards located on the OCIO's website easy to access?		
Yes	28	49%
No	2	4%
Somewhat Easy to Access	16	28%
Not Applicable	11	29%

Q 9 (a)(i): Overall, how understandable are the OCIO's policies?		
Understandable	26	46%
Not Understandable	2	4%
Somewhat Understandable	18	32%
Not Applicable	11	19%

Q 9 (a)(ii): Overall, how reasonable are the OCIO's policies?		
Reasonable	15	26%
Not Reasonable	3	5%
Somewhat Reasonable	26	46%
Not Applicable	13	23%

Q 9 (b)(i): Overall, how understandable are the OCIO's standards?		
Understandable	22	39%
Not Understandable	2	4%
Somewhat Understandable	20	35%
Not Applicable	13	23%

Q 9 (b)(ii): Overall, how reasonable are the OCIO's standards?		
Reasonable	16	28%
Not Reasonable	1	2%
Somewhat Reasonable	25	44%
Not Applicable	15	26%

Q 10: Prior to completing this survey instrument, were you aware of the OCIO's website?		
Yes	41	72%
No	7	12%
Somewhat Familiar	3	5%
Not Applicable	6	11%

Q 10 (a): If yes, what is your opinion of the usefulness of the website?		
Useful	11	19%
Not useful	1	2%
Somewhat Useful	30	53%
Not Applicable	15	26%

Q 11: Are you familiar with the IT Investment Review Criteria, developed by the OCIO for approval of IT projects?		
Yes	26	46%
No	14	25%
Somewhat Familiar	11	19%
Not Applicable	6	11%

Q 11(a) (i): If yes, what is your opinion of the following requirements? IT Request Form		
Burdensome	10	18%
Not burdensome	10	18%
Somewhat Burdensome	19	33%
Not Applicable	18	32%

Q 11(a) (ii): If yes, what is your opinion of the following requirements? Business Case Plan		
Burdensome	7	12%
Not burdensome	7	12%
Somewhat Burdensome	11	19%
Not Applicable	32	56%

Q 12: Have you had proposed projects altered by the OCIO as a result of the approval process for IT projects?		
Yes	16	28%
No	32	56%
Not Applicable	9	16%

Q 13: Have you had projects disapproved by the OCIO as a result of the approval process for IT projects?		
Yes	8	14%
No	40	70%
Not Applicable	9	16%

Q 14 (a): How many IT projects over \$200,000 has your agency pursued during FY 2001 – 2005?		
0	30	53%
(1) or (2)	13	23%
(3) to (5)	2	4%
(6) to (10)	2	4%
Not Applicable	10	18%

Q 14 (b): How many IT projects over \$200,000 has your agency pursued during FY 2006 – present?		
0	25	44%
(1) or (2)	17	30%
(3) to (5)	3	5%
(6) to (10)	2	4%
>10	1	2%
Not Applicable	9	16%

Q 15: What is your agency's average annual spending for IT projects over \$200,000 since 2001?		
\$0	5	9%
\$0 to \$100,000	17	30%
\$100,001 to \$250,000	1	2%
\$250,001 to \$500,000	5	9%
\$500,001 to \$1,000,000	4	7%
>1,000,000	9	16%
Not Applicable	16	28%

Q 16: For IT projects over \$200,000 pursued in FY 2001 – 2005, please comment on the basic proposal, planning, review and implementation procedures that were employed by your agency.		
See No Responses	49	86%
Not Applicable	8	14%

Q 17 (a)(i): For more recent IT projects over \$200,000 pursued by your agency, please rate your agency's satisfaction and timeliness with ITD and the OCIO on the following project procurement steps: Completing IT request form		
Satisfied	4	7%
Somewhat Satisfied	8	14%
Not Applicable	45	79%

Q 17 (a)(ii): Satisfaction ITD: Review and approval of IT request form		
Satisfied	4	7%
Somewhat Satisfied	5	9%
Not Satisfied	1	2%
Not Applicable	47	82%

Q 17 (a)(iii): Satisfaction ITD: Completing Business Case Plan		
Satisfied	4	7%
Somewhat Satisfied	4	7%
Not Applicable	49	86%

Q 17 (a)(iv): Satisfaction ITD: Business Case Development Assistance		
Satisfied	4	7%
Not Satisfied	1	2%
Somewhat Satisfied	3	5%
Not Applicable	49	86%

Q 17 (a)(v): Satisfaction ITD: Business Case Review and Approval		
Satisfied	4	7%
Somewhat Satisfied	3	5%
Not Applicable	50	88%

Q 17 (a)(vi): Satisfaction ITD: System Definition and Problem Identification		
Satisfied	4	7%
Not Satisfied	1	2%
Somewhat Satisfied	5	9%
Not Applicable	47	82%

Q 17 (a)(vii): Satisfaction ITD: Request for Proposal Development Assistance		
Satisfied	5	9%
Somewhat Satisfied	3	5%
Not Applicable	49	86%

Q 17 (a)(viii): Satisfaction ITD: Vendor Selection and Contract Assistance		
Satisfied	6	11%
Not Satisfied	1	2%
Somewhat Satisfied	3	5%
Not Applicable	47	82%

Q 17 (a)(ix): Satisfaction ITD: Project Management or Monitoring Assistance		
Satisfied	2	4%
Not Satisfied	1	2%
Somewhat Satisfied	6	11%
Not Applicable	48	84%

Q 17 (a)(x): Satisfaction ITD: General Technical Assistance/ Customer Service		
Satisfied	4	7%
Somewhat Satisfied	8	14%
Not Applicable	45	79%

Q 17 (b)(i): Satisfaction OCIO: Completing IT Request Form		
Satisfied	9	16%
Not Satisfied	2	4%
Somewhat Satisfied	10	18%
Not Applicable	36	63%

Q 17 (b)(ii): Satisfaction OCIO: Review and approval of IT request form		
Satisfied	8	14%
Not Satisfied	5	9%
Somewhat Satisfied	10	18%
Not Applicable	34	60%

Q 17 (b)(iii): Satisfaction OCIO: Completing Business Case Plan		
Satisfied	7	12%
Not Satisfied	1	2%
Somewhat Satisfied	5	9%
Not Applicable	44	77%

Q 17 (b)(iv): Satisfaction OCIO: Business Case Development Assistance		
Satisfied	8	14%
Not Satisfied	3	5%
Somewhat Satisfied	5	9%
Not Applicable	41	72%

Q 17 (b)(v): Satisfaction OCIO: Business Case Review and Approval		
Satisfied	9	16%
Not Satisfied	5	9%
Somewhat Satisfied	3	5%
Not Applicable	40	70%

Q 17 (b)(vi): Satisfaction OCIO: System Definition and Problem Identification		
Satisfied	4	7%
Not Satisfied	4	7%
Somewhat Satisfied	7	12%
Not Applicable	42	74%

Q 17 (b)(vii): Satisfaction OCIO: Request for Proposal Development Assistance		
Satisfied	5	9%
Not Satisfied	5	9%
Somewhat Satisfied	5	9%
Not Applicable	42	74%

Q 17 (b)(viii): Satisfaction OCIO: Vendor Selection and Contract Assistance		
Satisfied	10	18%
Not Satisfied	5	9%
Somewhat Satisfied	4	7%
Not Applicable	38	67%

Q 17 (b)(ix): Satisfaction OCIO: Project Management or Monitoring Assistance		
Satisfied	5	9%
Not Satisfied	6	11%
Somewhat Satisfied	4	7%
Not Applicable	42	74%

Q 17 (b)(x): Satisfaction OCIO: General Technical Assistance/ Customer Service		
Satisfied	7	12%
Not Satisfied	5	9%
Somewhat Satisfied	6	11%
Not Applicable	39	68%

Q 17 (c)(i): Timeliness ITD: Completing IT Request Form		
Timely	5	9%
Not Timely	1	2%
Somewhat Timely	4	7%
Not Applicable	47	82%

Q 17 (c)(ii): Timeliness ITD: Review and Approval of IT Request Forms		
Timely	4	7%
Not Timely	2	4%
Somewhat Timely	2	4%
Not Applicable	49	86%

Q 17 (c)(iii): Timeliness ITD: Completing Business Case Plan		
Timely	4	7%
Somewhat Timely	2	4%
Not Applicable	51	89%

Q 17 (c)(iv): Timeliness ITD: Business Case Development Assistance		
Timely	4	7%
Somewhat Timely	2	4%
Not Applicable	51	89%

Q 17 (c)(v): Timeliness ITD: OCIO Business Case Review and Approval		
Timely	4	7%
Not Timely	1	2%
Somewhat Timely	1	2%
Not Applicable	51	89%

Q 17 (c)(vi): Timeliness ITD: System Definition and Problem Identification		
Timely	4	7%
Not Timely	2	4%
Somewhat Timely	4	7%
Not Applicable	47	82%

Q 17 (c)(vii): Timeliness ITD: Request for Proposal Development Assistance		
Timely	4	7%
No Timely	0	0%
Somewhat Timely	3	5%
Not Applicable	50	88%

Q 17 (c)(viii): Timeliness ITD: Vendor Selection and Contract Assistance		
Timely	5	9%
Somewhat Timely	3	5%
Not Applicable	49	86%

Q 17 (c)(ix): Timeliness ITD: Project Management or Monitoring Assistance		
Timely	2	4%
Not Timely	1	2%
Somewhat Timely	4	7%
Not Applicable	50	88%

Q 17 (c)(x): Timeliness ITD: General Technical Assistance/ Customer Service		
Timely	5	9%
Somewhat Timely	8	14%
Not Applicable	44	77%

Q 17 (d)(i): Timeliness of OCIO: Completing IT Request Form		
Timely	10	18%
Not Timely	2	4%
Somewhat Timely	6	11%
Not Applicable	39	68%

Q 17 (d)(ii): Timeliness of OCIO: Review and Approval of IT Request Form		
Timely	7	12%
Not Timely	6	11%
Somewhat Timely	10	18%
Not Applicable	34	60%

Q 17 (d)(iii): Timeliness of OCIO: Completing Business Case Plan		
Timely	7	12%
Not Timely	3	5%
Somewhat Timely	3	5%
Not Applicable	44	77%

Q 17 (d)(iv): Timeliness of OCIO: Business Case Development Assistance		
Timely	8	14%
Not Timely	3	5%
Somewhat Timely	5	9%
Not Applicable	41	72%

Q 17 (d)(v): Timeliness of OCIO: OCIO Business Case Review and Approval		
Timely	9	16%
Not Timely	5	9%
Somewhat Timely	2	4%
Not Applicable	41	72%

Q 17 (d)(vi): Timeliness of OCIO: System Definition and Problem Identification		
Timely	5	9%
Not Timely	3	5%
Somewhat Timely	7	12%
Not Applicable	42	74%

Q 17 (d)(vii): Timeliness of OCIO: Request for Proposal Development Assistance		
Timely	5	9%
Not Timely	4	7%
Somewhat Timely	6	11%
Not Applicable	42	74%

Q 17 (d)(viii): Timeliness of OCIO: Vendor Selection and Contract Assistance		
Timely	11	19%
Not Timely	4	7%
Somewhat Timely	4	7%
Not Applicable	38	67%

Q 17 (d)(ix): Timeliness of OCIO: Project Management or Monitoring Assistance		
Timely	4	7%
Not Timely	4	7%
Somewhat Timely	6	11%
Not Applicable	43	75%

Q 17 (d)(x): Timeliness of OCIO: General Technical Assistance/ Customer Service		
Timely	7	12%
Not Timely	4	7%
Somewhat Timely	6	11%
Not Applicable	40	70%

Q 18: How has your agency generally sought technical assistance/customer service from the ITD?		
HEAT	2	4%
H/E	1	2%
H/P/E	9	16%
H/P/E/PM	29	51%
H/PM	2	4%
Not Applicable	7	12%
P	3	5%
P/E	1	2%
P/E/PM	3	5%

Q 18 (a)(i): Satisfaction with HEAT		
Satisfied	31	54%
Not Satisfied	3	5%
Somewhat Satisfied	12	21%
Not Applicable	11	29%

Q 18 (a)(ii): Satisfaction with phone correspondence with ITD staff		
Satisfied	27	47%
Not Satisfied	3	5%
Somewhat Satisfied	17	30%
Not Applicable	10	18%

Q 18 (a)(iii): Satisfaction with e-mail correspondence with ITD staff		
Satisfied	27	47%
Not Satisfied	4	7%
Somewhat Satisfied	16	28%
Not Applicable	10	18%

Q 18 (a)(iv): Satisfaction with personal meeting with ITD staff		
Satisfied	28	49%
Not Satisfied	3	5%
Somewhat Satisfied	8	14%
Not Applicable	18	32%

Q 18 (a)(v): Satisfaction with other		
Satisfied	2	4%
Not Satisfied	3	5%
Somewhat Satisfied	1	2%
Not Applicable	51	89%

Q 18 (a)(vi): Satisfaction with other		
Satisfied	2	4%
Not Applicable	55	96%

Q 18 (b)(i): Timeliness with HEAT		
Timely	29	51%
Not Timely	4	7%
Somewhat Timely	13	23%
Not Applicable	11	19%

Q 18 (b)(ii): Timeliness with phone correspondence with ITD staff		
Timely	26	46%
Not Timely	3	5%
Somewhat Timely	20	35%
Not Applicable	8	15%

Q 18 (b)(iii): Timeliness with e-mail correspondence with ITD staff		
Timely	28	49%
Not Timely	6	11%
Somewhat Timely	15	26%
Not Applicable	8	15%

Q 18 (b)(iv): Timeliness with personal meeting with ITD staff		
Timely	25	44%
Not Timely	3	5%
Somewhat Timely	9	16%
Not Applicable	20	35%

Q 18 (b)(v): Timeliness with other		
Timely	2	4%
Not Timely	2	4%
Somewhat Timely	1	2%
Not Applicable	52	91%

Q 18 (b)(vi): Timeliness with other		
Timely	1	2%
Not Applicable	56	99%

Q 19 (a): Are you familiar with the Information Technology Policy Committee (ITPC) from FY 2009 to present?		
Yes	38	67%
No	15	26%
Not Applicable	4	7%

Q 19 (b): Are you familiar with the Information Technology Coordinating Committee (ITCC) from FY 2009 to present?		
Yes	40	70%
No	14	25%
Not Applicable	3	5%

Q 20 (a): Do you believe the ITPC provides sufficient forums for your agency to contribute to IT policy and services discussions?		
Yes	13	23%
No	10	18%
Sometimes	18	32%
Not Applicable	16	28%

Q 20 (b): Do you believe the ITCC provides sufficient forums for your agency to contribute to IT policy and services discussions?		
Yes	16	28%
No	10	18%
Sometimes	20	35%
Not Applicable	11	19%

Q 21 (a): Do you believe concerns and comments from your agency are taken into account by these committees (ITPC)?		
Yes	10	18%
No	12	21%
Sometimes	15	26%
Not Applicable	20	35%

Q 21 (b): Do you believe concerns and comments from your agency are taken into account by these committees (ITCC)?		
Yes	13	23%
No	11	19%
Sometimes	18	32%
Not Applicable	15	26%

Q 22: Have you read the biennial statewide information technology plan approved by the Governor?		
Yes	30	53%
No	22	39%
Not Applicable	5	9%

Q 22 (a): If yes, are comments and concerns from the agency adequately reflected in the biennial statewide information technology plan?		
Yes	9	16%
No	17	30%
Somewhat	1	2%
Not Applicable	30	53%

Q 23: Generally, rate the effectiveness of the OCIO's Governance Model (i.e. ITD-OCIO and the above committees) with respect to assistance to agencies when pursuing services and projects?		
Effective	10	18%
Not Effective	14	25%
Somewhat Effective	24	42%
Not Applicable	9	16%

Q 24 (a): Have you read the Legislature's authorized (2010 Laws, Chapter 39, Section 317 (b) IT Consolidation Committee's following reports: July 1, 2010- IT Transformation and Consolidation Committee, Phase I Report to the Governor.		
Yes	28	49%
No	26	46%
Not Applicable	3	6%

Q 24 (b): Have you read the Legislature's authorized (2010 Laws, Chapter 39, Section 317 (b) IT Consolidation Committee's following reports: October 1, 2010- IT Transformation and Consolidation Committee, Final Report to the Governor.		
Yes	28	49%
No	25	44%
Not Applicable	4	7%

Q 25: Do these reports accurately reflect your concerns, No Responses and questions about the current push for consolidation?		
Yes	10	18%
No	21	37%
Did Not Read	20	35%
Not Applicable	6	11%

Q 26: What are the strengths and weaknesses of the proposal to consolidate executive branch IT services discussed in the above report?		
Did Not Read	17	30%
Not Applicable	40	70%

Q 27: Do you believe the case for moving forward with consolidation efforts was fully supported with facts and financial data in the reports?		
Supported	2	4%
Not supported	15	26%
Somewhat supported	16	28%
Not Applicable	24	42%

Q 28: How would you rate your agency's favorability toward consolidation based on current knowledge?		
Favorable	9	16%
Unfavorable	22	39%
Somewhat favorable	16	28%
Not Applicable	10	18%

Q 29: Generally, rate the effectiveness of the OCIO since its creation in 2005 related to efforts to consolidate and streamline IT services across the executive branch.		
Effective	5	9%
Not Effective	17	30%
Somewhat Effective	28	49%
Not Applicable	7	12%

Q 30: How many vacant IT positions has your agency filled within the last two biennia (BFY 2007 and 2009)? Agencies Q-30; Elected- Q 32		
0	24	42%
1	10	18%
2	3	5%
3	1	2%
5	1	2%
6	2	4%
7	1	2%
9	1	2%
24	1	2%
27	1	2%
Not Applicable	12	21%

Q 30 (a): Has your agency had difficulty in hiring qualified staff to fill vacant IT-classified positions? Agencies Q-30 (a); Elected- Q 32 (a)		
0	29	51%
1	3	5%
2	1	2%
3	1	2%
4	1	2%
Not Applicable	22	39%

Q 31: Has your agency had difficulty hiring qualified staff to fill vacant IT-classified positions? Agencies Q-31; Elected- Q 33		
Yes	15	26%
No	16	28%
Not Applicable	26	46%

Q 31 (a): If yes, please describe the main challenges you encounter in filling these positions. Agencies Q-31 (a); Elected- Q 33 (a)

No tabular responses, only comments provided.

Q 30 (Elected): Should Wyoming elected official's offices be included as part of the consolidation effort?

Yes	0	0%
No	0	0%
Somewhat	5	100%

Q 31 (Elected): Should Wyoming elected official's offices be required to follow ITD-OCIO's IT Investment Review Criteria (i.e. completing the IT Request Form and Business Case Plan)?

Yes	0	0%
No	0	0%
Somewhat	2	40%
Not Applicable	3	60%

Recent Program Evaluations

Wyoming State Archives	May 2000
Turnover and Retention in Four Occupations	May 2000
Placement of Deferred Compensation	October 2000
Employees' Group Health Insurance	December 2000
State Park Fees	May 2001
Childcare Licensing	July 2001
Wyoming Public Television	January 2002
Wyoming Aeronautics Commission	May 2002
Attorney General's Office: Assignment of Attorneys and and Contracting for Legal Representation	November 2002
Game & Fish Department: Private Lands Public Wildlife Access Program	December 2002
Workers' Compensation Claims Processing	June 2003
Developmental Disabilities Division Adult Waiver Program	January 2004
Court-Ordered Placements at Residential Treatment Centers	November 2004
Wyoming Business Council	June 2005
Foster Care	September 2005
State-Level Education Governance	December 2005
HB 59: Substance Abuse Planning and Accountability	January 2006
Market Pay for State Employees	July 2006
Wyoming Drug Courts	July 2006
A&I HRD Role in State Hiring	December 2006
Kid Care CHIP: Wyoming's State Children's Health Insurance Program	June 2007
Wyoming Retirement System: Public Employee Plan	August 2007
WYDOT and General Fund Appropriations for Highways	May 2008
Wyoming Child Protective Services	September 2008
Department of Fire Prevention and Electrical Safety	December 2008

Office of Health Care Licensing and Surveys	July 2009
Victim Services Division: Phase I	August 2009
Victim Services Division: Phase II	February 2010
Reading Assessment and Intervention Program	February 2010
Office of State Lands & Investments: Management of State Trust Lands	June 2010
Proficiency Assessments for Wyoming Students (PAWS)	December 2010
Wyoming Unemployment Insurance Program	December 2010

Evaluation reports can be obtained from:

Wyoming Legislative Service Office
 213 State Capitol Building Cheyenne, Wyoming 82002
 Telephone: 307-777-7881 Fax: 307-777-5466
 Website: <http://legisweb.state.wy.us>

