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Information Technology

In 2004 the North Carolina General Assembly enacted significant legislation concerning the administration of information technology. S.L. 2004-129 (S 991) makes sweeping changes to the state Office of Information Technology Services (ITS), particularly changes related to the oversight of the State Chief Information Officer (CIO), the disbanding of the Information Resource Management Commission, and new procurement requirements intended to help the state capitalize on economies of scale and demand aggregation. S.L. 2004-129 also creates new requirements for strategic technology planning, standardization, and project management. This chapter focuses on the major components of the legislation, which have important implications for state and local agencies.

State Information Technology Plan

Prior to the enactment of S.L. 2004-129, the strategic technology vision for the state was based on separate agency and departmental goals and initiatives approved by the Information Resource Management Commission. The new legislation shifts the focus of technology investment to the Office of State Information Technology Services and mandates that the State CIO develop a biennial State Information Technology Plan. The plan must include an asset inventory, project descriptions, gap analysis related to unmet technology needs, financial statements, and analysis of opportunities for statewide initiatives (G.S. 147-33.72B). In addition, each executive agency is required to develop a biennial agency information technology plan for submission to the State CIO. The statutes governing the requirements and procedures associated with the State Information Technology Plan are contained in Article 33 of Chapter 147 of the North Carolina General Statutes.

Project Review and Approval

S.L. 2004-129 also transfers responsibility for project review and approval from the Information Resource Management Commission to the State CIO. Under the new legislation, the State CIO is authorized to review and subsequently approve or reject all state agency technology projects costing more than \$500,000. The State CIO is also authorized to establish additional project review thresholds based on project cost, risk, and agency size. In addition, S.L. 2004-129 requires

that all contracts between state agencies and private party information technology vendors include performance review and accountability measures. The State CIO has the discretion to require that monetary penalties be assigned to time or cost overruns. By granting the State CIO the primary authority over and responsibility for technology projects, the legislation aims to make increased efficiency, reduced failures, and greater oversight and control of project processes and budgets a reality for the state's information technology operations.

Project Management

Section 33 of G.S. Chapter 147 also mandates new project management procedures. Each agency must designate a project manager, subject to review and approval by the State CIO. In order to reduce risk factors, mitigate cost and schedule overruns, and ensure accountability, project managers must provide regular reports to a project management assistant housed within the Office of State Information Technology Services. Additionally, the State CIO is responsible for designating a project management assistant for all agency projects requiring approval.

Procurement

S.L. 2004-129 also creates new procedures for procuring information technology resources. The goal of the legislation is to centralize procurement processes in order to capitalize on cost savings resulting from demand aggregation. The Office of State Information Technology Services is responsible for establishing the procurement procedures, which must include aggregation of hardware purchases, use of formal bids, use of enterprise licensing agreements, and restrictions on supplemental staffing. In addition, the office is required, under G.S. 147-33.82, to procure all information technology resources for all state agencies.

Information Technology Advisory Board

The legislature also repealed the authorization for the Information Resource Management Commission and established a new Information Technology Advisory Board. The new board is charged with reviewing the State Information Technology Plan, individual agency plans, and statewide technology initiatives proposed by the State CIO. The membership of the Information Technology Advisory Board will include four persons appointed by the Governor, four by the President Pro Tempore of the Senate, and four by the Speaker of the House.

Information Technology Fund

Article 33, Section 72, of Chapter 147 also establishes a special revenue fund to subsidize information technology activities. The fund will provide support for meeting statewide requirements in areas such as project management, planning, security, portal operations, and procurement. The State CIO is authorized to spend the funds after consultation with the Information Technology Advisory Board. Furthermore, the State CIO must submit an annual report on fund expenditures to the Joint Legislative Oversight Committee on Information Technology.

Joint Legislative Oversight Committee on Information Technology

The legislation also changes the Joint Select Committee on Information Technology to the Joint Legislative Oversight Committee on Information Technology. The new legislation expands the role of the committee in the examination and monitoring of systemwide information technology issues such as infrastructure, administration, and financing. The committee must make recommendations to the General Assembly regarding methods to improve the application of technology in state agencies and across the enterprise.

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