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January 1, 2010

The Honorable Timothy M. Kaine
Governor of Virginia
Patrick Henry Building, Third Floor
Richmond, Virginia 23219

Dear Governor Kaine:

Item 433.3, Chapter 3, 2009 Acts of Assembly, Appropriation Act directs the Chief Applications Officer (CAO) to report every six months to the Governor and the Information Technology Investment Board on the areas the division is responsible for implementing and any agencies and institutions that have not cooperated with the implementation.

The following is an outline of Chief Applications Officer (CAO) activities that have taken place since the last Virginia Enterprise Applications Program (VEAP) status report dated July 1st, 2009. This is the first report of the CAO as the Director of the Enterprise Applications Division. HB2539 merged the Virginia Enterprise Applications Program with the Virginia Information Technologies Agency (VITA) and created the Enterprise Applications Division (EAD).

I am pleased to report that significant progress has been made toward modernizing our central administrative systems, creating collaborative opportunities, and in the management of Commonwealth data and applications. Provided below are major highlights of EAD's efforts during these past six months.   All of this was possible due to the hard work and dedication of countless Commonwealth employees and the support of the Executive Branch and General Assembly.

Major Highlights

- Financial Management Request for Proposal (RFP), evaluation and contract award, which will result in a new Commonwealth Financial Management System, ultimately replacing the 30 year old CARS financial system.

- Performance Budgeting Request for Proposal (RFP), evaluation and contract award which will result in a new Commonwealth Performance Budgeting system in 2010, replacing six budgeting systems within the Department of Planning and Budget.
- Implementation of Business One Stop (Phase II); providing citizens and businesses a faster, more intuitive way of establishing a business within Virginia.
- Development of a draft Commonwealth Applications Governance model.
- Certification by Executive Branch agencies of their applications inventory (Applications Portfolio).
- Implementation of Online Notary and eNotary Registration process. The Online Notary application provides a faster, environmentally friendly way of establishing and renewing the notary license. The eNotary application supports an important legislative mandate and allows a Notary Public to apply to the Secretary of the Commonwealth's office for an eNotary commission. An eNotary is a Notary Public who is authorized to notarize documents electronically using their digital credentials.
- Implementation of a common / initial intake form for the Virginia Workforce One Stops. The common intake form currently supports the One Stop workforce centers at Roanoke, Danville, Prince William and South Boston. This single online form has been designed to bring ease and simplicity to citizens as they register for multiple services at the workforce centers.
- Partnered with Department of Education and the Senior Advisor for Workforce Development to submit a multi-million dollar federal grant application for creation of a state of art, cross agency longitudinal data analysis system.
- Provided Project Management and information technology services to agencies, including support to
  - Department of Veteran Services: Identifying a solution to streamline its Veterans claim processing system
  - Department of Rehabilitation services: Identifying solutions for connecting different case management systems
  - Department of Behavioral Health and Developmental services: identify and build a Customer Relations Management (CRM) based solution for Critical Incident Reporting System
- Partnered with Department of Minority Business Services to build and implement an Online application for Disadvantaged Business Enterprise.
- Supported Department of Historic Resources by initiating a project to build a CRM based solution for Online application processing.
- Developed, in partnership with data stewards from DGS and DOA, the Procurement Vendor and Order to Payment data standards.

Major Activities of the CAO

The Financial Management System evaluation team finalized review of proposals for a financial system for Virginia Department of Transportation (VDOT) and a base financial system for the

Commonwealth's General Ledger and Accounts Payable functions. The result was a system's integration and software contract award to Accenture for the development and implementation of PeopleSoft Financials 9.1. The base system will have the ability to replace the thirty year old Commonwealth Accounting and Reporting System (CARS). While VDOT has provided the resources and personnel to the lead in the initial development of the system, EAD and Department of Accounts (DOA) are responsible for resources, additional personnel and setting enterprise standards of the base system.

The Performance Budgeting evaluation team finalized review of proposals for a performance budgeting system for the Department of Planning and Budget. The result was a software and implementation services contract award to Project Performance Corporation of McLean, Virginia. Phase I of the project is on schedule for delivery of a new performance budgeting application in August 2010. Phase II, on-line in March 2011, will provide additional functionality aimed at agency requirements for developing budgets and a six year strategic planning module.

EAD continues to develop the Business Intelligence (BI) shared services environment. After the first major BI implementation, the very successful Stimulus.Virginia.Gov website, the Business Intelligence Competency Center (BICC) partnered with Executive Branch agencies to deliver enhanced reporting capabilities to both Commonwealth managers and citizens. Collaboration with more than a dozen Executive Branch agencies has resulted in new reporting capabilities for the Commonwealth using the LogiXML BI tool set. As planned, the BI Competency Center is providing BI development services to agencies as requested and funded by the agency. The shared services reporting platform will serve both the new financial management and performance budgeting applications. This approach will allow managers to utilize a single tool for both fiscal and budgetary analysis.

The CIO/CAO Operations Plan contained three distinct action plans - data management, application portfolio, and application strategies.

Data Management - EAD continues to work with the central agencies identified in the legislation to develop the four data standards to support the VDOT/DOA Financial Management Project. DGS and DOA have worked closely with EAD to develop a standard for "procurement vendor" data. This data standard is currently available for public comment and ITIB adoption is anticipated in late January. In addition, a standard for "order to payment" data is in development and is targeted for public comment in February. ITIB adoption is anticipated in March. Both standards also fulfill the legislative mandate contained within SB936. EAD is supporting DHRM in the development of an employee identification data standard to be reviewed in April. EAD is also supporting DOA in the development of standard for financial classification data (Chart of Accounts - COA). The COA standard will be available for review in May. These dates coincide with the Design Phase for the financial management project. This

schedule has been reviewed by VDOT and aligns with their current project timeline. I am confident these data standards, when implemented, will begin to establish data consistency across our application environment and provide a foundation for transparency of Commonwealth data.

Application Portfolio - EAD, working closely with VITA's Project Management Division and the Department of Planning and Budget, initiated certification of the application portfolio into this year's strategic planning process.   This certification process was the center piece for data clean-up activities and identified more than 200 additional applications in use by the Executive Branch of Government. This repository of application data forms the basis for gaining better oversight of our application maintenance and operations spend, and will reduce the number of inquiries agencies must field from various sectors of the IT community.

Applications Strategies - Since EAD's last report, the CAO has continued sponsorship of the Commonwealth Applications Governance working group. Participants in this work include General Assembly staff, central agency business representatives, Executive Branch agencies, and VITA personnel. Together, the applications management strategy and applications governance framework will provide the Commonwealth with a new applications model for improved management and visibility of application investments. I am currently briefing the central agency heads on the work completed thus far in the strategy sessions to ensure we have their input and guidance.

EAD continues supporting development and utilization of shared or collaborative services. This is a key area for EAD, as shared services provide business capability at less cost than the sum of individual agency deployments while continuing to modernize the administrative systems and provide agencies with more modern technologies and processes. Below are a few examples of collaborative services facilitated by EAD.

Enterprise Content Management (ECM) -
While there is a continuing need for better data quality and accessibility of our structured data, 90% of Commonwealth data is unstructured. Most of our knowledge is found in e-mail messages, paper reports, CDs, etc. The ECM initiative strives to put order and organization to this unstructured data and moves the Commonwealth toward an "e-government" environment. Additionally, without ECM, the Library of Virginia and the Executive Branch Agencies cannot effectively meet the statutory requirements regarding records management. EAD is committed to this initiative and its importance within the Commonwealth. Since my last report, EAD has been working with a multi-agency and locality ECM Working Group to prepare a detailed design and business plan for an ECM Shared Service. This service would allow smaller agencies and localities to obtain top quality ECM services without significant initial investment. EAD and its partner, Virginia Correctional Enterprises (VCE), will use this detailed business plan to obtain

commitments from interested agencies and localities for this service. In September, EAD and VCE presented an ECM "Summit" meeting to agencies and localities describing the outlines of this potential service. Upon obtaining sufficient commitments from potential using agencies, EAD and VCE will begin the process of investing in the ECM platform. There is significant interest in the ECM Shared Service from more than 20 agencies and localities, as well as a consortium of local social services agencies. EAD and VCE are exploring the use of Software as a Service (SaaS) as another option within the ECM Shared Service. SaaS is becoming commonplace as a deployment strategy within the commercial world. It does not require large initial costs and generally is quicker to implement.

Business One Stop - EAD continues support of Business One Stop (BOS). Phase II of the project went live in December 2009. BOS Phase II increases the functionality, data sharing and commonality of BOS. By decreasing the number of overlapping vendor portals facing citizens, BOS Phase II provides a more streamlined (single face of government) experience for the citizens and businesses. BOS has been used by more than 15,000 applicants to apply for new businesses in the Commonwealth, with over 9,000 applicants completing the registration since its inception in May 2008. The project is a collaborative effort with the Department of Business Assistance, Department of Taxation, Department of General Services, and Department of Minority Business Enterprise and represents the best of collaboration amongst agencies.

EAD continues to assist a broad range of agencies, including the development of a Notary and Notary Registration portal for the Secretary of the Commonwealth, assisting the Workforce One Stop workgroup in implementation of a 'common intake form', assisting the Department of Veteran Services in identifying a solution to streamline its Veterans claim processing system, assisting the Department of Historic Resources with implementation of a case management system, and the Department of Education and Workforce on a Federal Grant for longitudinal data.

The Code of Virginia, *§ 2.2-2033* provides authority to the CAO for approval and oversight of annual agency technology application budgets and contractor-based personnel IT services expenditures. The CAO is coordinating with VITA's Supply Chain Management, Department of Human Resources, Department of General Services and the Office of the Secretary of Technology to improve the approval and oversight of IT services expenditures. I am coordinating with Department of Planning and Budget and the Chief Information Officer on efforts to fulfill the responsibility to approve and oversee agency application budgets. I was unable to fulfill this responsibility for the 2010-2012 Biennial Budget development cycle, but have developed a plan to do so in 2010 for the 2012 budget.

The Code of Virginia, § 2.2-2034 directs agencies to cooperate with the Chief Applications Officer and EAD in carrying out its duties and responsibilities, to include developing an

enterprise architecture. Utilizing the collective Enterprise Architecture resources within VITA, progress has been made in this area. Budgetary constraints, however, will likely lengthen what is already of necessity a multi-year process to fully develop a comprehensive Enterprise Architecture for the Commonwealth.

It has been a great pleasure to watch the many accomplishments of the EAD team and agency personnel over these past six months. I look forward to challenges and opportunities before us. Please let me know if you have any questions or concerns.

Sincerely,

Peggy A. Feldmann
Director, Enterprise Applications Division