

Virginia Information Technologies Agency



**Recommended Technology
Investment Projects (RTIP) Report
For the 2012-2014 Budget
Biennium,
September 1, 2011 Submission**

**To the Governor and
The General Assembly of Virginia**

From

**The Commonwealth Chief
Information Officer**

September 1, 2011

www.vita.virginia.gov

Table of contents

- 1.0 RTIP Report 3**
- 1.1 Report background and purpose3
 - Exhibit 1: Projects Recommended for Funding Breakout by Oversight and Governance Categories..... 4*
 - Exhibit 2: Projects Recommended for Funding Breakout by Business Affect..4*
 - Exhibit 3: IT project dollars spent on new projects in FY 2007-2011.....5*
 - Exhibit 4: IT Spending Trends for FY2007 through FY2011.....6*
 - Exhibit 5: IT Spend for FY2011.....7*
 - Exhibit 6: IT spending trends for FY2007 through FY2011.....8*
- 1.2 Summary of CIO project recommendations9
 - Exhibit 7: Summary of projects by investment approval status.....9*
 - Exhibit 8: Summary of 2011 major IT Projects.....10*
 - Exhibit 9: Total percent of proeject cost by Secretariat.....11*
 - Exhibit 10: Percent of project cost by Secretariat with Adjustments in HHR and PS.....12*
 - Exhibit 11: Summary of forecasted expenditures for new projects.....12*
 - Exhibit 12: Summary of new projects by funding status.....13*
 - Exhibit 13: Summary of new mandatory and non-mandatory projects.....14*
- 1.3 Projects recommended for funding and continued funding.....14
 - 1.3.1 Projects recommended for continued funding.....14
 - Exhibit 14: Projected Ongoing Operations and Maintenance Costs for Current Active Major Projects.....15*
 - 1.3.2 Projects recommended for funding.....16
 - 1.3.3 Projects identified for preliminary planning.....17
 - Exhibit 15: Projects in Identified for Preliminary Planning Status.....17*
- 1.4 Recap of 2010 key recommendations and actions taken.....18
 - 1.4.1 Commonwealth Project Governance Assessment (CPGA)18
 - 1.4.2 HIT/MITA Program.....19
- 1.5 RTIP 2011 key recommendations.....19
- 1.6 Report development process.....20
 - Exhibit 16: Summary of 2011 RTIP process.....20*
- 1.7 Status of 2010 RTIP Recommended projects, a reconciliation.....21
- 1.8 EAD categorization of major IT projects with Investment Business Case Approval.....22
 - Exhibit 17: Summary of EAD categorization.....23*
- 1.9 Contact information23
- 2.0 Appendices23**

1.0 RTIP Report

1.1 Report background and purpose

This year marks the ninth annual submission of the RTIP Report. It is the desire that the report add value to the Commonwealth's technology investment decision-making process. To this end, the report reflects the CIO's increased emphasis on strong investment alignment to the Commonwealth's strategic goals and objectives as established by the Council on Virginia's Future, the Governor and the 2007-2011 Commonwealth of Virginia Strategic Plan for Information Technology. Only projects supported by a strong business case, based on established selection and ranking criteria, were considered as priorities for funding.

While fiscal year 2010 signaled major changes in oversight and governing structures, fiscal year 2011 brought the successful implementation of the supporting changes in project management oversight and governance. In January, the Commonwealth Project Governance Assessment (CPGA) model was successfully implemented. With the goal of 'just enough governance, just in time', the Commonwealth IT Project Complexity Model was revised to analyze risk and complexity over the life of the project, to determine the appropriate levels of governance and oversight for Commonwealth projects. Dollar value is no longer the determining factor. Projects of \$250,000 or more are evaluated, assessed and are assigned an oversight and governance category based on their risk/complexity score. There are four categories, with Category 1 requiring the most oversight and governance as they are highest risk projects and Category 4 the least.

The project categories for the major project portfolio are displayed in Appendix A, and the breakdown of those projects recommended for funding by risk and complexity can be seen in Exhibit 1. Note that two Virginia Department of Transportation (VDOT) projects, SharePoint 2010 estimated to cost \$2,400,000 and Financial Management System (FMS) Data Mart - Sun Set estimated to cost \$2,726,572, have been classified as Category 4 projects. Once active, these projects will be overseen by the agency, VDOT, and will only have to report quarterly progress to the Project Management Division. Independent Verification and Validation (IV&V) reviews are not required for Category 4 projects.

Forty two percent of the portfolio are Category 1 projects and twenty three percent are Category 2. Accordingly, over fifty percent of the portfolio is characterized as "high risk", which increases resource demands on those participating in oversight and governance activities. Another view into portfolio risk can be seen by the breakdown in business affect as seen in Exhibit 2. Projects that are "transformational" in nature are higher risk as they transform the way agencies will do business and involve reengineering business processes. Twenty three percent of the proposed portfolio is transformational in nature while sixty five percent is categorized as "improving the business". It should be noted that projects that improve the business also can impact business processing, although these changes tend to be more localized to divisions.

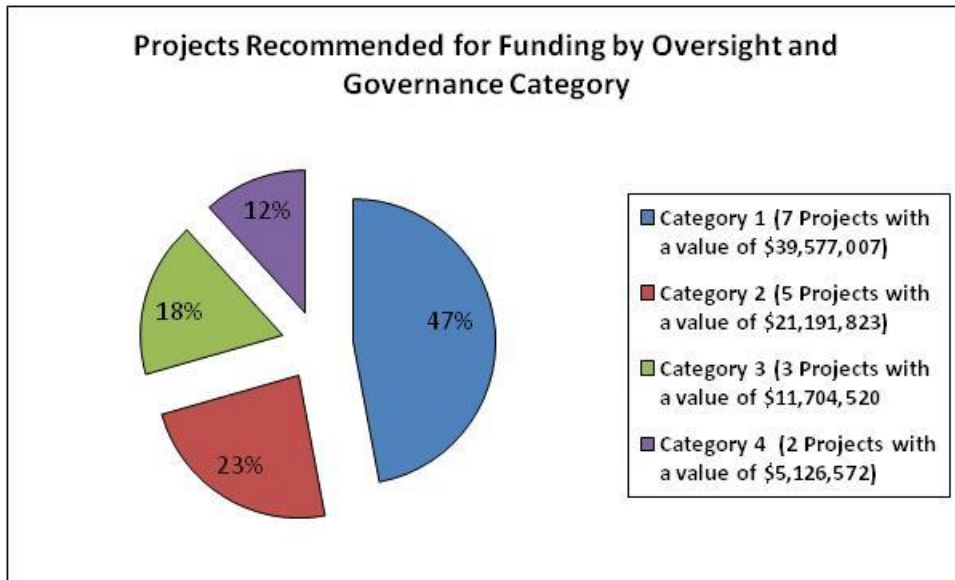


Exhibit 1: Projects recommended for funding breakout by oversight and governance categories

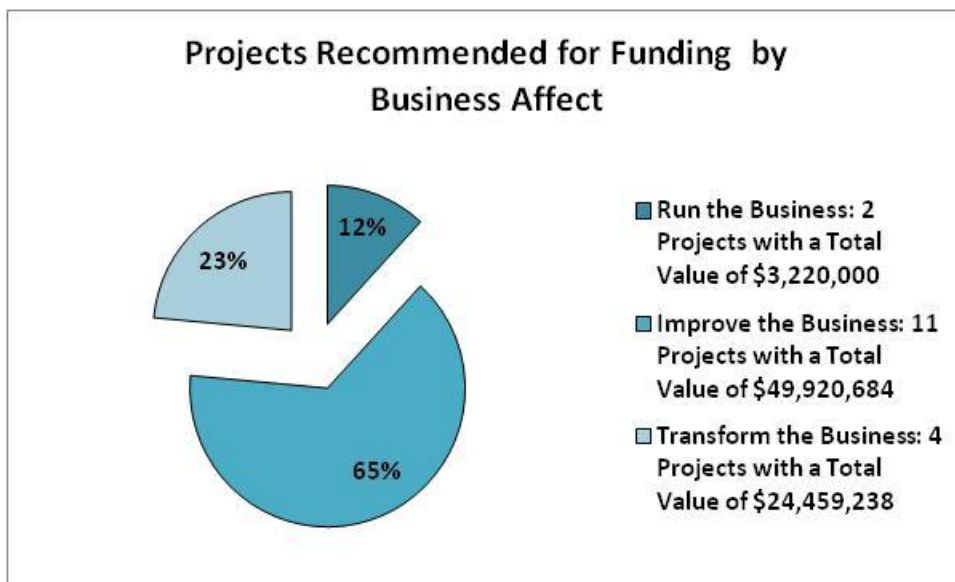
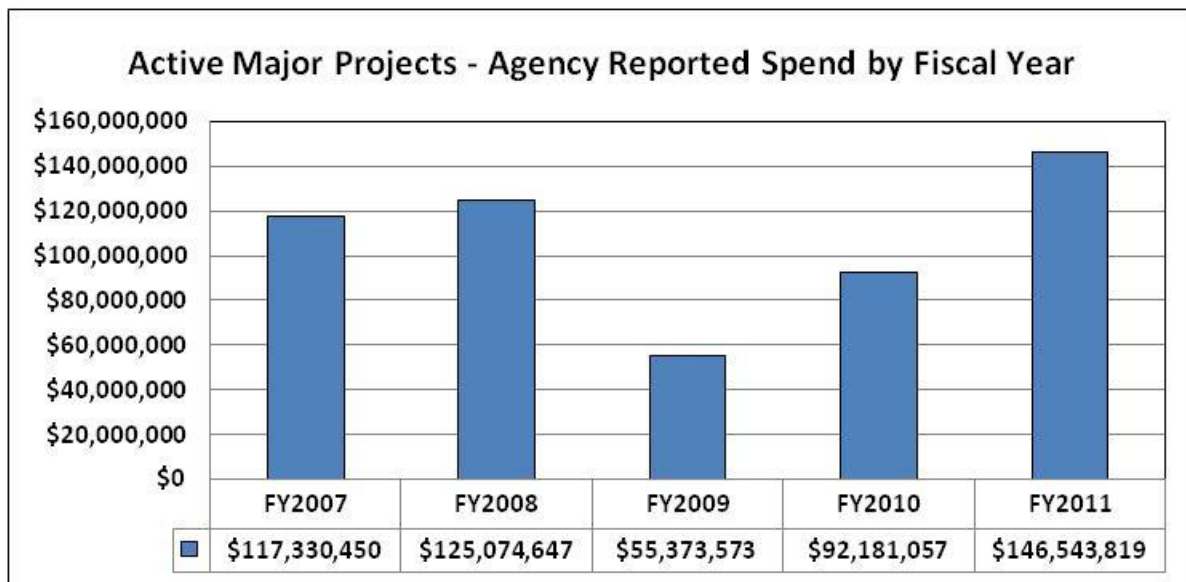


Exhibit 2: Projects recommended for funding breakout by business affect

FY2010 marked the first year that active major IT projects were defined in the Governor’s Budget and in the Appropriation Act. Supported by the Commonwealth Technology Portfolio (CTP), the Chief Information Officer (CIO) now is able to maintain better visibility into the Commonwealth IT investment portfolio and conduct regular quarterly portfolio reviews. Closer, regular scrutiny of the portfolio by the oversight and governance process has significantly reduced, but not eliminated, the number of last-minute agency projects being submitted for planning and development approval between RTIP reports.

Capturing and retaining project information in the CTP over time has opened up opportunities for charting spending trends. Exhibit 1 shows IT project dollars spent on new investments for fiscal years 2007 through 2011. These cost figures were taken from the data reported by agencies on the Commonwealth Major IT Projects Dashboard each month. FY2011 is much higher than the other years because of expenditures in the Virginia State Police's (VSP) Statewide Agencies Radio System (STARS) and VDOT's Cardinal projects. The size of the STARS project is not typical of the average project, and 2011 was an unusual year even for STARS as the project had expenditures of approximately \$78 million this year. Three projects, VDOT's Cardinal, Virginia Employment Commission's (VEC) Unemployment Insurance Modernization, and Department of Motor Vehicles' (DMV) DMV CSI Systems Redesign Project - Development and Implementation, with combined expenditures of \$37,377,290, also contributed to the increase in project spending in FY2011 over FY2010.



*Exhibit 3: IT project dollars spent on new projects in FY 2007-2011 by Executive Branch agencies under oversight and governance. *Costs shown for FY2007 were self-reported on the Commonwealth Major IT Project Dashboard in the Commonwealth Technology Portfolio (CTP).*

Overall IT expenditures for Executive Branch agencies for FY 2007 through FY 2011 can be seen in Exhibit 4, which shows the breakout between infrastructure, project spending under oversight and governance, and ongoing operations and maintenance (O&M) over the five-year period. These expenditures do not include higher education, the Judicial Branch or Legislative agencies. The data for each of these years are from year-end reports from the state general ledger system, Commonwealth Accounting and Reporting System (CARS), and are provided by the Auditor of Public Accounts (APA) in Excel workbooks. In the past agencies have not reported against baselines for projects of less than a million dollars on the Commonwealth Major IT Project Status Report Dashboard or in the Commonwealth Technology Portfolio. Accordingly, VITA does not have a method for determining dollars spent in a given fiscal year for those projects. These dollars are embedded within the O&M category at this time.

CARS captures agency-reported data, making spend numbers wholly dependent upon accurate sub-object coding of expenditures by agencies. VITA has some reservations about using CARS expenditures as a surrogate for "IT costs"; however, the information is provided from a reliable, independent source and the methodology is consistent from year to year. Refinement of the reporting and data collecting methodologies will be pursued, to improve the accuracy of IT spend numbers.

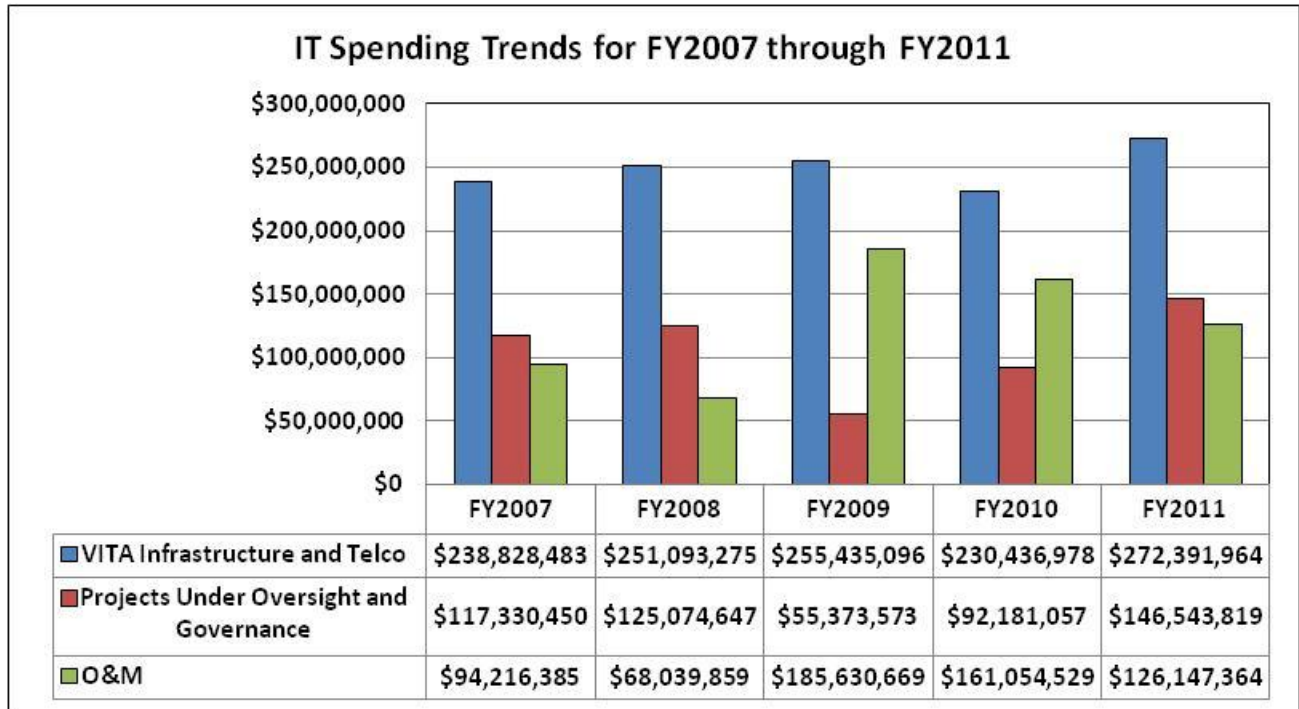


Exhibit 4: IT spending trends for FY2007 through FY2011 for VITA in-scope Executive Branch agencies

Exhibit 5 shows expenditure breakouts by percentages for each category for FY2011 only.

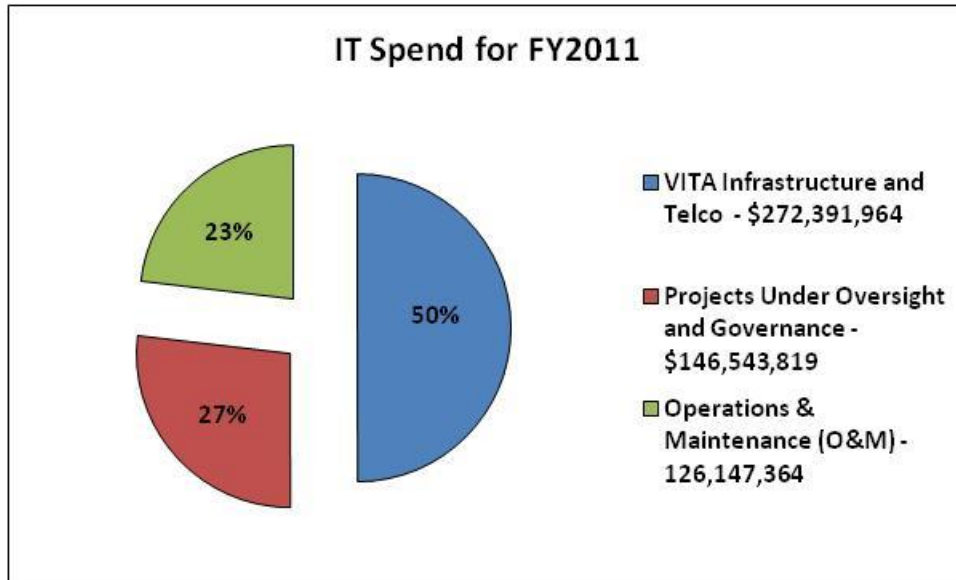


Exhibit 5: IT Spend for FY2011; total equals \$545,250,185

This bar chart shown in Exhibit 6 shows a fairly consistent spending pattern over the past four years with the most variance occurring in the ongoing O&M category.

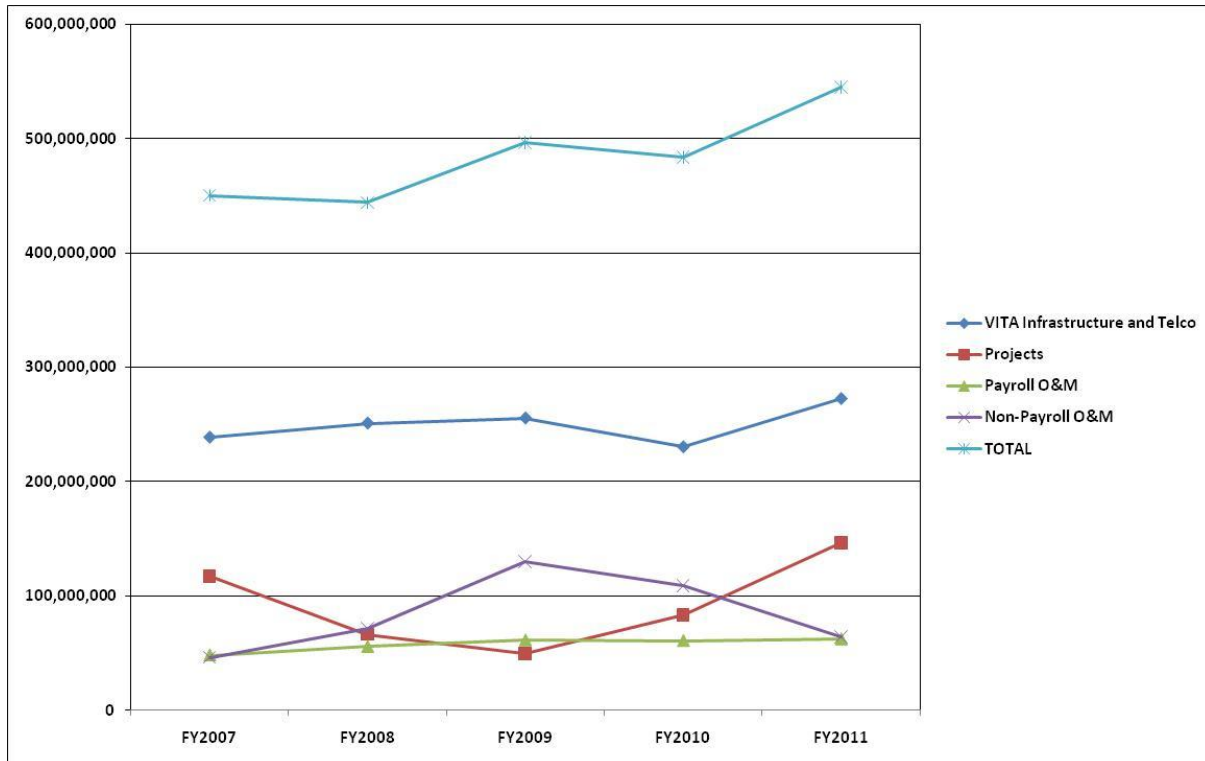


Exhibit 6: IT spending trends for FY2007 through FY2011 for VITA in-scope Executive Branch agencies

As stated earlier in this report FY11 Agency IT project costs increased due to expenditures in the STARS and Cardinal projects. The increase in VITA infrastructure and telecommunication service fees resulted from the GA approved rate increase. Agency IT payrolls continue to hold steady.

1.2 Summary of CIO project recommendations

The Commonwealth CIO recommends 39 technology investment projects listed in Appendices A and B of this report for new or continued funding. Seventeen new projects are recommended for new funding (see Appendix A). All new projects have received Commonwealth CIO investment business case approval, and the estimated total investment to complete all new projects is \$77,599,922. Twenty-two of the 39 projects currently are active (Appendix B), with an estimated total project cost of \$710,600,372, and are recommended for continued funding. All active projects are fully funded. Exhibit 46 summarizes the 39 projects and total project costs by investment approval status.

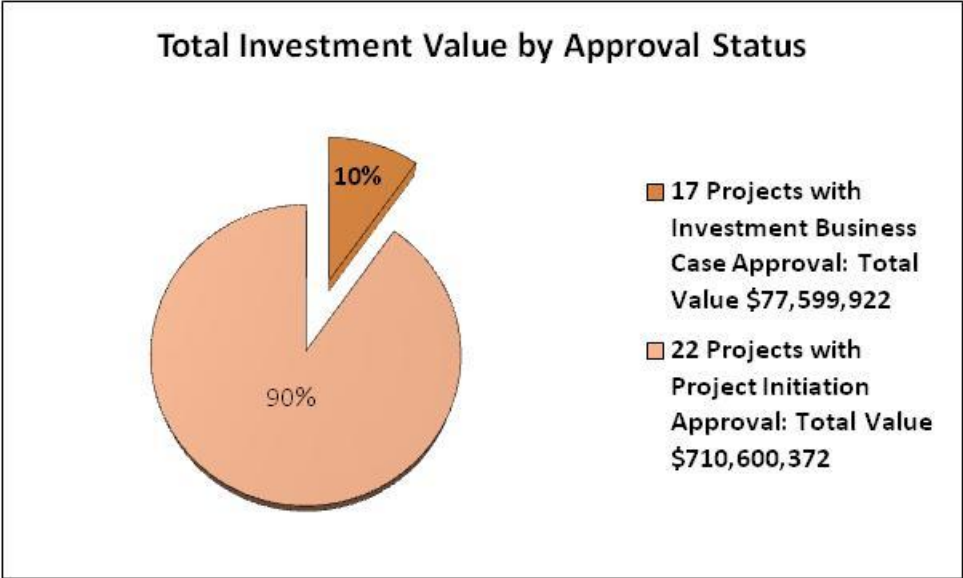


Exhibit 7: Summary of projects by investment approval status

Exhibit 8 and Exhibit 9 summarize the CIO-recommended 39 technology investment projects for new or continued funding by Secretariat. The recommended list of active projects does not include planned IT infrastructure investments under the provisions of the Commonwealth’s Comprehensive Infrastructure Agreement and amendments with Northrop Grumman, as overseen by the CIO and staff at the Virginia Information Technologies Agency (VITA).

	Recommended for Continued Funding		Recommended for Funding		Total Recommended Projects		
Secretariat	No.	Project Cost	No.	Project Cost	No.	Project Cost	Percent of Cost
Administration	0	\$0	0	\$0	0	\$0	0
Agriculture and Forestry	0	\$0	0	\$0	0	\$0	0
Commerce and Trade	2	\$66,809,124	1	\$4,777,007	3	\$71,586,131	16
Education	3	\$25,803,190	1	\$2,315,000	4	\$28,118,190	6
Finance	1	\$15,000,313	1	\$1,500,000	2	\$16,500,313	4
Health and Human Resources	7	\$53,664,955	2	\$18,200,000	9	\$71,864,955	26
Public Safety	3	* \$411,036,222	4	\$10,220,000	7	\$421,256,222	9
Technology	0	0	2	\$13,182,231	2	\$13,182,231	3
Transportation	6	\$138,286,569	6	\$27,405,684	12	\$165,692,253	36
Totals	22	\$710,600,373	17	\$77,599,922	39	\$788,200,295	100

Exhibit 8: Summary of 2011 major IT projects recommended for new or continued funding

** The recommended for continued funding amount for Public Safety includes the STARS project, accounting for \$380 million of the total cost for that Secretariat.*

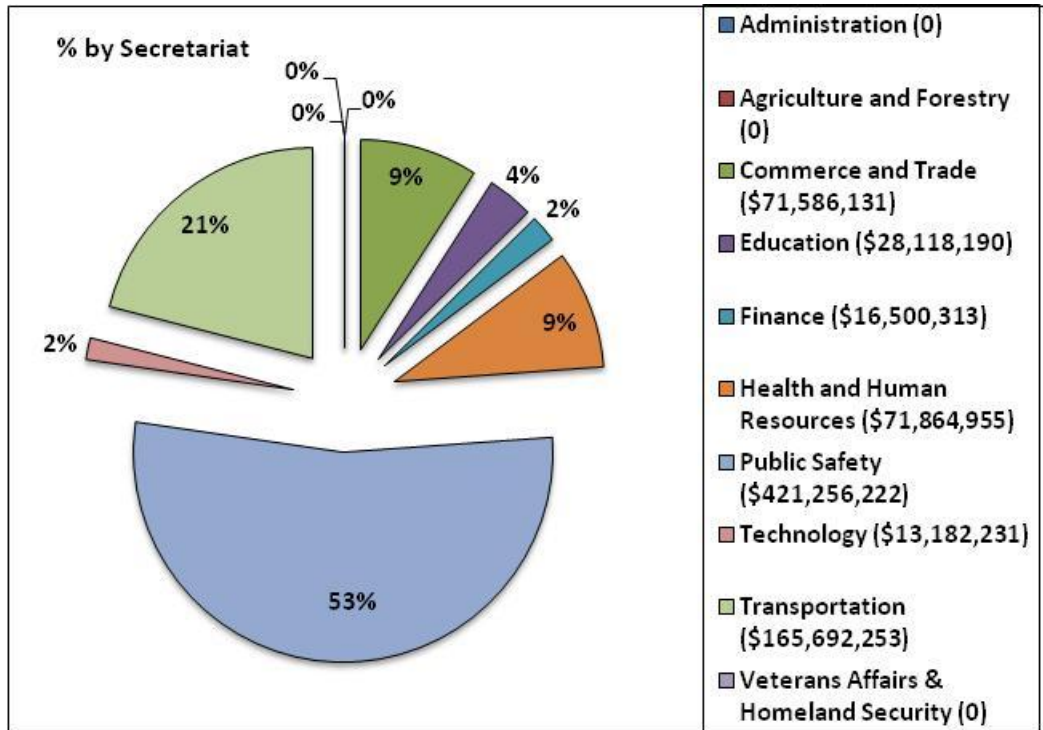


Exhibit 9: Total percent of project cost by Secretariat as of June 30, 2011
 * The STARS project represents 90 percent of the total cost for the Public Safety Secretariat.

Two major changes to the CTP will occur in the next couple of months. First, the STARS project will be closed out, significantly reducing the overall value of the CTP and the Public Safety portfolio by \$357 million. Second, the Health Information Technology/Medicaid Information Technology Architecture (HIT/MITA) program in the Health and Human Resources (HHR) Secretariat will begin entering projects into the CTP that potentially will add \$47,108,560 to the HHR portfolio. Exhibit 10 reflects these changes and is more representative of the CTP going forward.

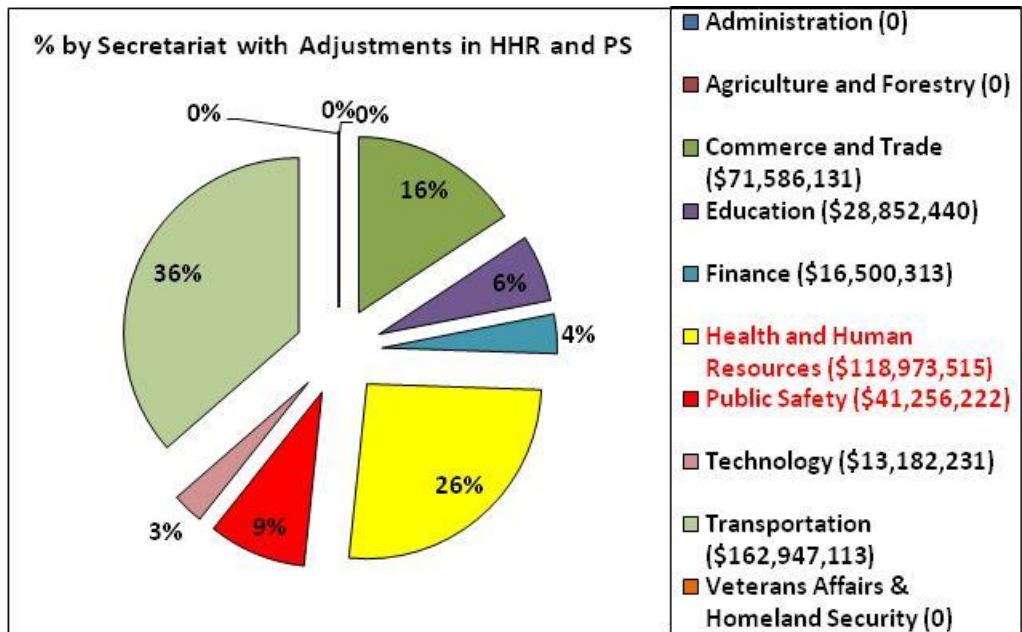


Exhibit 10: Percent of project cost by Secretariat with adjustments in HHR and PS

A more detailed look at planned project expenditures for projects with investment business case (IBC) approval in the 2012-2014 budget biennium is presented below. If all proposed projects are fully funded, \$77,599,922 will be required to support planned expenditures FY2011 through FY2018, as outlined in Appendix A of this report and summarized in Exhibit 11.

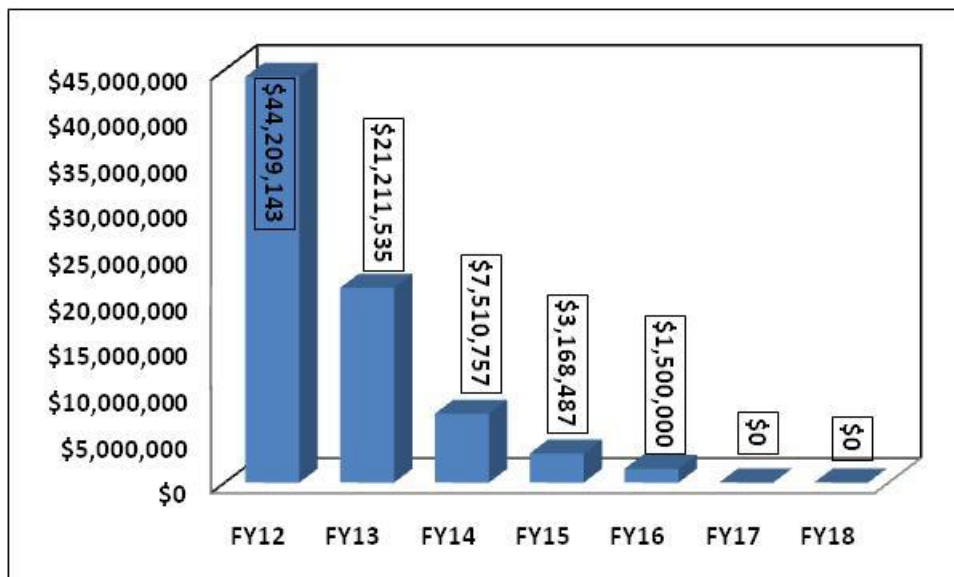


Exhibit 11: Summary of forecasted expenditures for new projects

Out of the 17 recommended new projects, only one project, Department of Behavioral Health and Developmental Services (DBHDS) Electronic Health Records, is not funded. That project accounts for \$16,000,000 out of the \$77,599,922 required to support planned expenditures in the upcoming fiscal years. Fourteen projects are fully funded from non-general funds (NGF), and one is partially funded, accounting for the remaining \$61,599,922 in planned new project expenditures in the 2012-2014 budget biennium. The partially funded project is HIPPA Upgraded Code Set (ICS-10) for a funding need for the 2012-2014 budget biennium of \$1,240,000 (\$310,000 in GF and \$930,000 in NGF). Exhibit 12 summarizes the 17 new projects in investment business case approval status by funding status.

Exhibit 12 illustrates the overall split between general funds (GF) and NGF. As illustrated, the portfolio of major projects is funded predominately by NGF in the form of either federal grants or non-general state funds obtained via service fees.

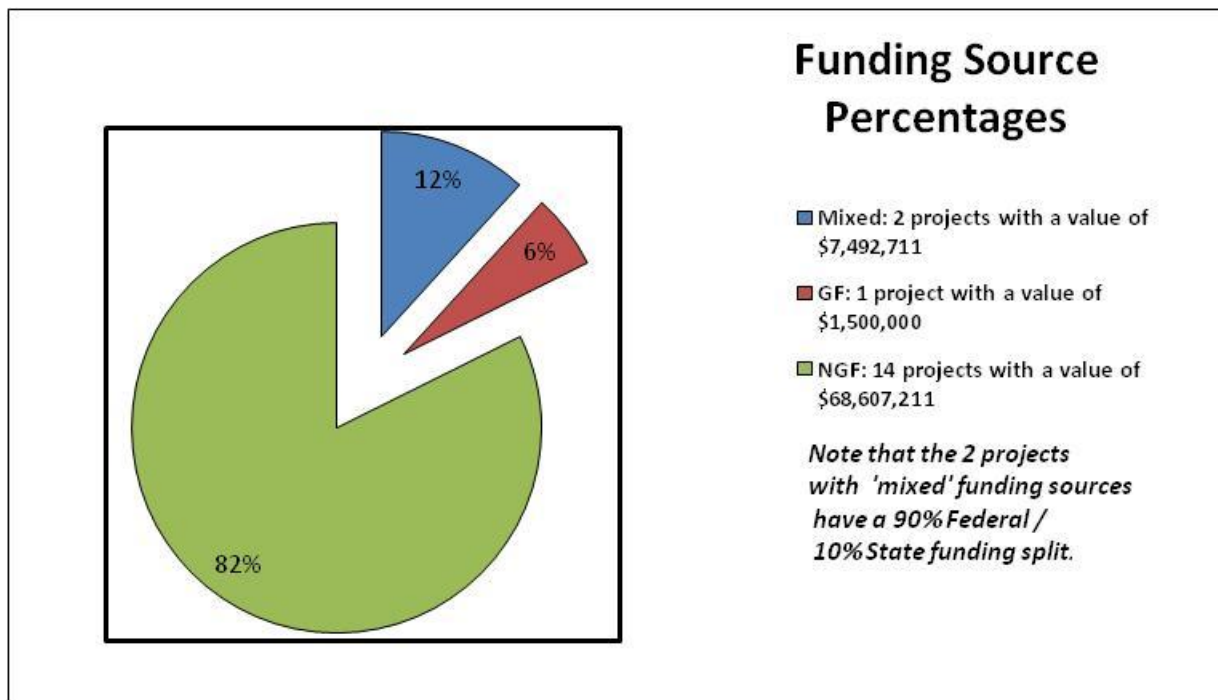


Exhibit 12: Summary of new projects by funding status

As illustrated in Exhibit 13, 71 percent of the current portfolio of projects recommended for funding is mandatory with a value of \$59,748,830. Mandatory projects are those projects that support legal or regulatory requirements such as executive orders, state legislation, federal mandates, or other outside regulatory bodies such as MasterCard or Visa.

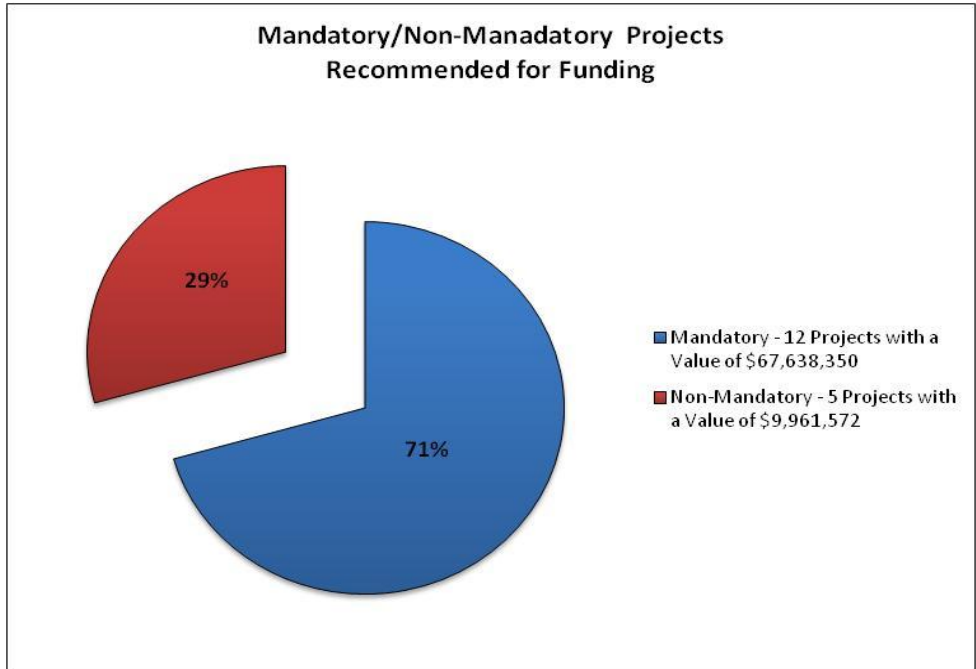


Exhibit 13: Summary of new mandatory and non-mandatory projects

1.3 Projects recommended for funding, for continued funding, and identified for preliminary planning

1.3.1 Projects recommended for continued funding

The CIO recommends funding be continued for 22 currently active major projects, as listed in Appendix B. Note that one major project, at the request of the agency’s commissioner, currently is suspended:

DMV’s DMV CSI Systems Redesign - Development and Implementation with a ‘current estimate at completion’ value of \$69,954,521

The estimated total investment in active projects is \$710,600,373. As of July 31, 2011, all active projects are fully funded and have reported cumulative expenditures of approximately \$488,453,049, or 69 percent, of the estimated total investment.

The CIO reviews the status of active projects quarterly through the Major IT Project Status Report. The August 2011 status report shows 17 projects with a green status, 3 with a yellow status, and one project with a red status. It is anticipated that nine projects will

obtain project initiation approval by the end of the next calendar quarter with a total projected cost of \$45,063,830.

Projects with a yellow status are considered under control but are being closely watched by the CIO as agencies address minor project performance, schedule, cost, risk or scope issues. Projects with a red status indicate a problem that requires immediate corrective action. The one project reported red in the August 2011 status report, Department of Behavioral Health Developmental Services' (DBHDS) Medication Management System, is in the process of closing down at the request of Commissioner James Stewart and Secretary William Hazel. The three projects with a yellow status are as follows:

Department of Planning and Budget's (DPB) Performance Budgeting
Department of Professional & Occupational Regulation's (DPOR) EAGLES
VSP's STARS

Remediation details for these four projects can be found in the August 2011 Commonwealth of Virginia Major IT Project Status Report for August 2011 which can be found at: <http://www.vita.virginia.gov/oversight/projects/default.aspx?id=14016>. Note that this report includes Category 4 as well as major active projects.

One of the legislative requirements for the RTIP report is to show the projected cost of each reported project for the three biennia following project implementation. Exhibit 14 illustrates the new ongoing operations and maintenance costs that will be added to agency budgets over the next six years as the current active major projects close out. This averages out to approximately \$39,542,455 per year.

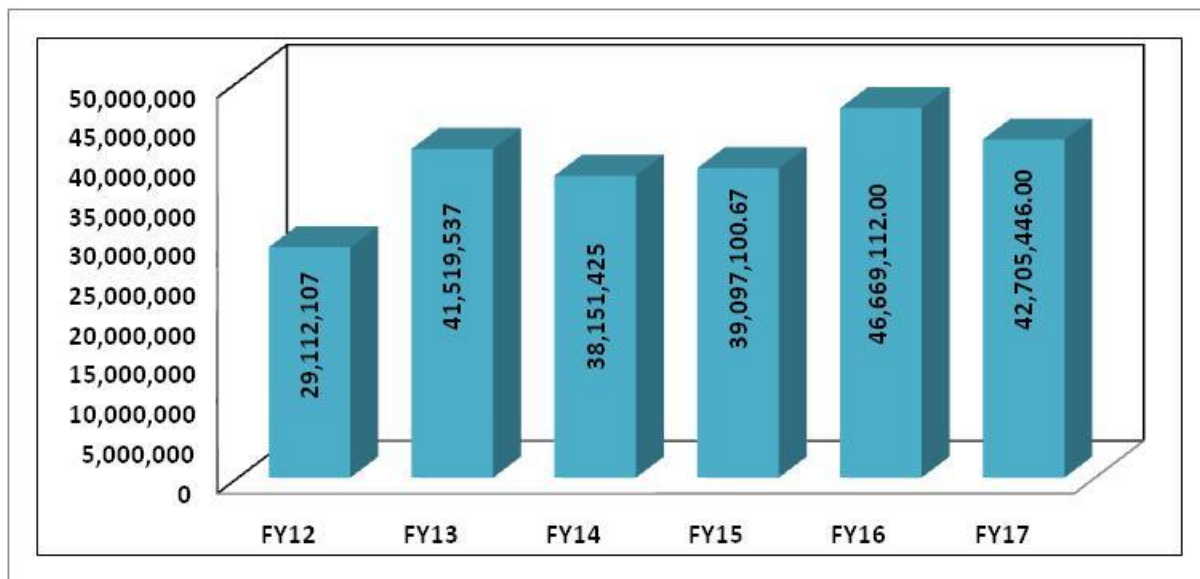


Exhibit 14: Projected ongoing operations and maintenance costs for current active major projects

1.3.2 Projects recommended for new funding

The CIO recommends funding for 17 new investment projects, as listed in priority order in Appendix A. These projects, which have received planning approval from the CIO, represent a potential investment of \$77,599,922. The 2011 CIO recommendation contains six projects included in last year's report, but not initiated because of funding shortfalls or delays. They are as follows:

VSP -- Replacement and Enhancement of the Statewide Incident-Based Reporting System

VSP -- Replacement and Enhancement of the Central Criminal History (CCH) Application

VSP -- Virginia Intelligence Management System (VIMS)

Department of Medical Assistance Services (DMAS)--HIPAA Upgrade Code Set (ICD-10)

Department of Behavioral Health and Disability Services (DBHDS)--Electronic Health Records (EHR) formerly known as Clinical Apps/EMR

Virginia Employment Commission (VEC) -- Financial Management System

A seventh project, Jamestown Yorktown Foundation's Yorktown Museum Replacement - Technology, was not ranked in last year's RTIP report but was documented in the Identified for Preliminary Planning status, and has since obtained Investment Business Case Approval status. Another project in the Identified for Preliminary Planning category, Department of Social Services' (DSS) EDS - Customer Portal Enterprise Delivery System Program, obtained both investment business case and project initiation approval status and is now active.

The estimated expenditure for the 17 planned projects for FY2012 is \$41 million. This accounts for 53 percent of the \$78 million total investment. For detailed information on planned expenditures through the 2012-2014 budget biennium, please refer to page two of Appendix A - 2010 Major IT Projects Recommended for Funding (Approved for Planning) - Expenditure Detail. To fully fund the estimated project expenditures for all planned projects for the 2010-2012 budget biennium, an additional \$16 million in NGF is required. Sixteen of the 17 planned projects, accounting for \$62 million of the estimated expenditures for the 2010-2012 budget biennium, are fully funded or partially funded.

Appendix A, 2010 Major IT Projects Recommended for Funding (Approved for Planning) - Expenditure Detail, also identifies the funding source distribution of the 17 planned projects for the 2012-2014 biennium across GF and NGF. Regardless of funding status or type, none of the projects can proceed until they are granted development approval by the Commonwealth CIO. An agency initiates the process of obtaining development approval for a project by conducting an analysis of project solutions, preparing an economic feasibility study or cost-benefit analysis, and developing a proposal and charter for the selected solution. The project documentation is reviewed by VITA's Project Management Division (PMD) and the proponent Secretariat Oversight Committee, which recommend approval, disapproval or modification of the project to the CIO. Development approval follows an affirmative CIO review and recommendation. Projects must be fully funded to receive development approval from the CIO.

1.3.3 Projects identified for preliminary planning

Projects that have been approved by the CIO for inclusion into the agency's IT strategic plan but which need to strengthen the investment business case before obtaining investment business case approval are placed in Identified for Preliminary Planning (IPP) status. These projects are not officially recommended for funding by the CIO in this report but are included in an agency's IT strategic plan. Exhibit 15 is a list of the nine projects, with a total value of \$42,456,250, that were in IPP status at the time the data was extracted for this report.

Major Projects (IPP)	Secretary	Agency	Project Cost
On-Demand Registration Card/ Validation Sticker Program	Transportation	DMV	\$3,750,000
Transportation Planning Module in RNS	Transportation	VDOT	\$1,600,000
AFIS Upgrade	Public Safety	VSP	\$3,500,000
Electronic Contents Management	Public Safety	Department of Corrections (DOC)	\$4,000,000
Electronic Healthcare Medical Records	Public Safety	DOC	\$4,000,000
Financial and Human Resources ERP Package	Public Safety	DOC	\$4,000,000
EDS - Master Customer ID (Enterprise Delivery System Program)	Health & Human Resources	DSS	\$2,303,850
EDS - Worker Portal Enterprise Delivery System Program	Health & Human Resources	DSS	\$5,302,400
Financial Management Enterprise Rollout (Cardinal Project Part 3)	Finance	DOA	\$14,000,000
			\$42,456,250

Exhibit 15: Projects in Identified for Preliminary Planning status

1.4 Recap of 2010 key recommendations and actions taken

1.4.1 Commonwealth Project Governance Assessment (CPGA)

With the passage of House Bill 1034ER/Senate Bill 236ER legislation by the 2010 General Assembly, IT project oversight and governance structures were significantly revised. The Commonwealth Project Governance Assessment (CPGA) model, development of which began in 2010, was implemented successfully in January 2011. CPGA calls for the Project Management Division (PMD) to analyze risk and complexity over the life of a project and apply the appropriate levels of governance and oversight as the project progresses. Prior to CPGA, the governance given to information technology projects was based on a dollar threshold-driven classification as major or non-major. Once classified, there was no means to adjust governance as the project evolved and greater detail became known. The intensity of project oversight and governance, in turn, contributed to project cost. In some cases, the arbitrary categorization of a project as "major" forced agencies to implement excess governance and oversight and incur costs that may not have added value to their efforts. In other cases, the Commonwealth did not provide enough governance and oversight to high risk projects that were under the previous dollar threshold.

Phase I of the CPGA implementation was approved by the CIO and Secretary of Technology and successfully implemented on January 1, 2011, as directed by the *Code of Virginia*, section 2.2-2018.1. A risk and complexity assessment tool was developed by VITA, with significant input from the Joint Legislative Review and Audit Commission (JLARC), the Senate Finance Committee, and VITA's Information Technology Investment Management (ITIM) Customer Council. In addition, the Information Systems Department of Virginia Commonwealth University's School of Business validated the assessment tool questions and drafted a scoring model for the assessment.

In order to implement Phase I of CPGA, revisions of the Commonwealth Project Management Standard and the Commonwealth Project Management Guideline were published, and system changes were made in the Commonwealth Technology Portfolio. Under the revised Commonwealth Project Management Standard, new project categories and associated oversight and governance provisions were introduced, based on assessments performed at key points in the project's lifecycle. Enhanced project status reporting based on the new project categories, cost-benefit analysis form enhancements, and implementation of organizational change management processes were part of this implementation. More than 200 project managers and Agency Information Technology Resources (AITRs) received training on the new methodology January through March of 2011.

By December 2011, Phase II of CPGA will incorporate a revised procurement plan, which is targeted to eliminate the current agency procurement request (APR) process for purchases associated with projects.

1.4.2 HIT/MITA Program

The Patient Protection and Affordable Care Act of 2010 (PPACA) mandates an expansion of Medicaid enrollment by 2014 that is predicted to increase Virginia's Medicaid membership by 35 to 45 percent. Virginia state government currently does not have the business process or technology capacity to manage the additional membership. PPACA and the American Recovery and Reinvestment Act (ARRA) provide federal funding for states to modernize Health Information Technology (HIT) systems.

Medicaid Information Technology Architecture (MITA), a joint initiative between the Centers for Medicare and Medicaid Services (CMS) and the Center for Medicaid and State Operations (CMSO), is intended to foster integrated business and IT transformation across the national Medicaid enterprise that will enable successful administration of the expanded Medicaid program under PPACA.

Using the MITA state self assessment (MITA SS-A), Virginia identified the future state agency HIT capabilities needed to meet the MITA objectives, and a series of enterprise-level IT projects that will support those capabilities. The HIT/MITA Program Office was formed under HHR Secretary, Dr. William A. Hazel, Jr., to promote and manage HIT/MITA enterprise IT projects in close coordination with federal and state government partners.

Details on this major program, provided by the HIT/MITA Program Office, can be found in Appendix H – HIT/MITA Program. At the time this report was being prepared, the supporting projects for the HIT/MITA Program still were being defined. These projects will be documented in the Secretary of Health and Human Resources IT Strategic Plan which will be submitted for review Oct. 31, 2011 and will be published on the Virginia Performs Web site.

1.5 RTIP 2011 key recommendations

Major changes in project management oversight and governance structures have occurred in 2009 and 2010. Legislative changes have required the following: oversight and governance organizational structures have been revised to support statutory changes; policy, standards and guidelines have been rewritten; and supporting tools have been revamped. It now is time to review and evaluate existing portfolio processes and reports for the executive decision-makers to ensure that the information provided is timely, accurate, relevant and useful. Currently VITA staff members are meeting with key stakeholders from the Senate Finance Committee, the House Appropriations Committee, Office of the Auditor of Public Accounts, Department of Planning and Budget, and JLARC to review current deliverables to determine improvements and reduce duplicative work.

In addition to revising portfolio processes and reporting, oversight and governance is being expanded to include program management. As VITA continues to provide oversight and governance for the HIT/MITA Program, information gained in this process will be used to develop a standard and guideline for program management in the Commonwealth of Virginia that will be vetted through the ITIM Customer Council for agency input. Much also can be learned from the efforts in the HHR Secretariat regarding IT strategic planning as it develops the first IT strategic plan for that Secretariat. This plan can provide a model for other secretariats to follow in efforts to achieve efficiencies in state government.

In keeping with Governor Bob McDonnell’s goal to promote web-based one-stop portals to improve service delivery to our citizens, agencies are encouraged to continue to look for these types of opportunities. The new infrastructure that is being implemented by the Commonwealth Infrastructure Agreement in support of the HIT/MITA program will facilitate these types of implementations, and agencies should work with their VITA Customer Account Managers to determine how these new services can improve agency operations.

1.6 Report development process

The 2011 RTIP process is consistent with the process and criteria used to develop last year’s RTIP report. VITA’s Enterprise Solutions and Governance (ESG) directorate issued data collection guidance to agencies for Major IT Projects and collected IT strategic planning data in support of the RTIP Report. Data gathered for IT strategic planning or the Commonwealth Major IT Project Status Report Dashboard in the CTP is self-reported. VITA does not have a means of independently verifying and validating agencies’ reported data.

Once data was collected, an automated scoring and ranking process (based on CIO and Secretary of Technology-approved selection and ranking criteria found in Appendix D) was used to derive an initial project ranking. The initial project ranking was reviewed and approved by the CIO and Secretary of Technology in July. Exhibit 16 summarizes the RTIP process used to develop this report.

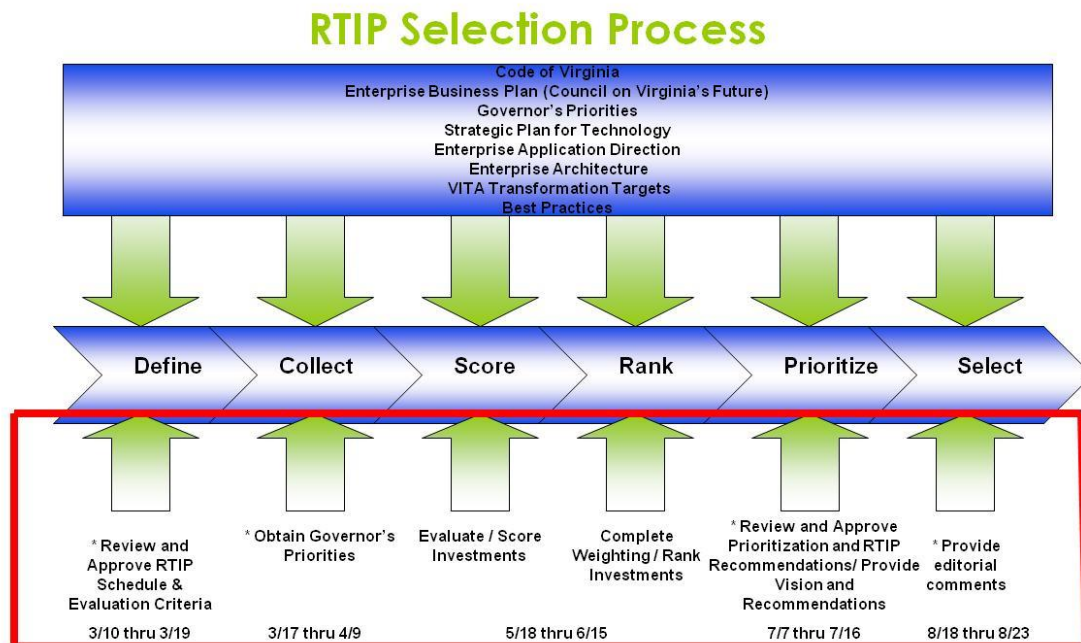


Exhibit 16: Summary of 2011 RTIP process

1.7 Status of 2010 RTIP recommended projects, a reconciliation

Because of the dynamic nature of the Commonwealth IT Portfolio since the publication of the 2010 RTIP Report, the portfolio has continued to evolve:

The following seven projects, with a total investment of \$47 million, were successfully completed:

- Department of Business Assistance - Business One Stop - Phase II
- Radford University - Radford University Information System Project
- Department of Medical Assistance Services - Fiscal Agent Competitive Re-bid
- Virginia Department of Health - Hospital Interoperability Communications Upgrade Project
- Department of Alcoholic Beverage Control - POS Replacement FY09
- Department of Motor Vehicles - REAL ID
- Department of Motor Vehicles - DMV's TREDS

Three projects, representing an investment of \$4.7 million, were granted development approval and now are active. They are as follows:

- Department of General Services - DPS VDC Warehousing System Modernization
- Department of Medical Assistance Services - HIPAA Upgraded Transactions (5010)
- Virginia Department of Health - Electronic Death Registration (EDR)

Four projects recommended in the 2010 RTIP Report with an estimated cost of \$6.3 million were cancelled due to agency response to changing business needs or opportunities and are as follows:

- Department of Rehabilitative Services - Integrated Fiscal System
- Virginia State Police - Central Criminal Repository and Support Systems Improvement
- Virginia Department of Transportation - Integrated Six Year Program Replacement
- Virginia Department of Transportation - iPM Primavera Integration

The following project, representing an investment of \$57.3 million, was suspended:

- Department of Motor Vehicles - DMV CSI Systems Redesign Project - Development and Implementation

The status of 24 projects, representing an investment of \$549.5 million, remains unchanged.

Appendix E details the changes in the Commonwealth IT Portfolio from the 2010 RTIP Report to the 2011 RTIP Report.

Two projects were not included in the 2010 RTIP Report that were subsequently granted both CIO planning and development approval. These projects are as follows:

- Department of Medical Assistance Services – Executive Support System (ESS)
- Department of Education – State Longitudinal Data System (SLDS)

One project, the Department of Social Services' EDS-Customer Portal (Enterprise Delivery System), while not included in the Appendix A Recommended for Funding list, was included in the Identified for Preliminary Planning list and was granted both CIO planning and development approval.

As of 8/17/2011, the Virginia Department of State Police's project, STARS, completed.

1.8 Enterprise Applications Division (EAD) categorization of Major IT Projects approved for planning

All of the major IT projects that are recommended for funding have been reviewed and evaluated by VITA's EAD staff to determine if they are enterprise opportunities. Agencies were asked to place each of their major IT projects submitted for investment business case approval into one of the following three categories:

Enterprise applications: Centrally administered applications which act as the authoritative source of data or processing for the Commonwealth.

Collaborative applications and services: Business applications and services which provide organizations and/or political subdivisions the opportunity to work together, in a substantive, mutually beneficial relationship, with a common integrated solution.

Agency applications: Applications that support a unique agency requirement or mission.

EAD reviewed each agency categorization and either agreed with the categorization or recommended a change. EAD recommended that five of the 17 Major IT Projects be categorized as collaborative applications and services instead of agency applications based on their potential for collaboration with other agencies. The remaining twelve were categorized as agency applications. Project designations are noted in Appendix A. Exhibit 17 summarizes EAD's categorization of the 17 major IT projects that are recommended for funding.

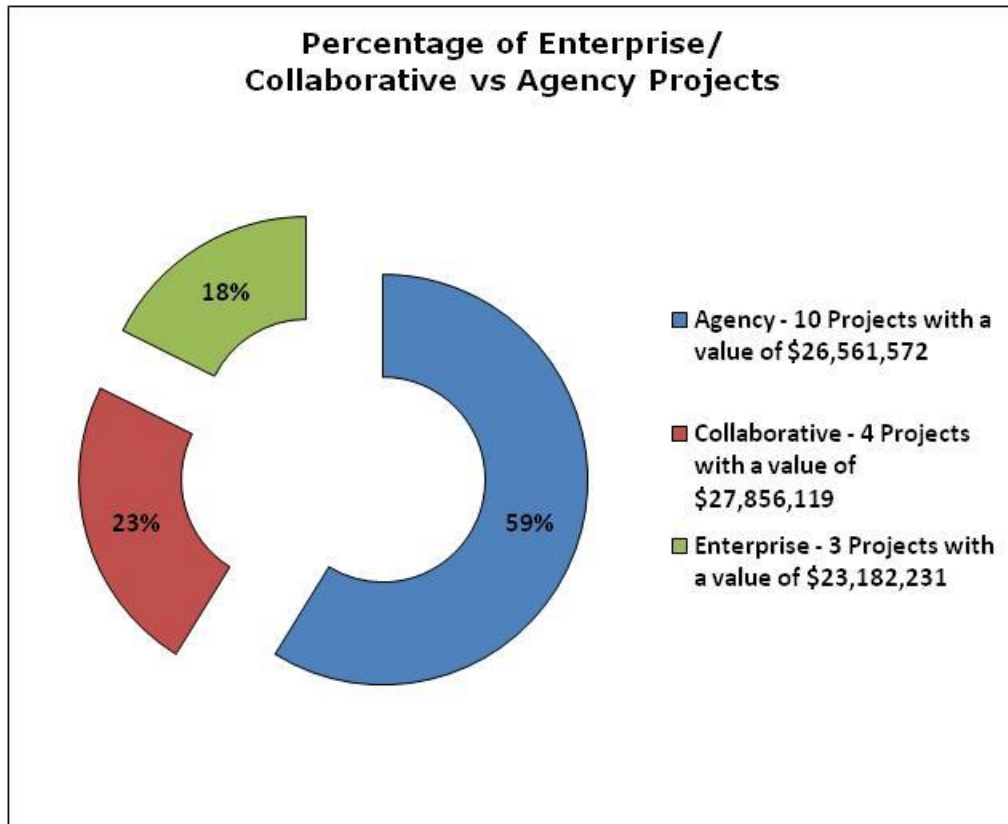


Exhibit 17: Summary of EAD categorization

1.9 Contact information

Questions or comments about the 2010 RTIP Report may be directed to Constance Scott at (804) 416-6179 (office), (804) 840-5480 (cell) (constance.scott@vita.virginia.gov) or Sean Weir at (804) 416-6172, (804) 840-7813 (cell) (sean.weir@vita.virginia.gov).

2.0 Appendices

Appendices are included as separate attachments with the report. A description of each Appendix follows:

Appendix A - 2011 Major IT Projects Recommended for Funding (Approved for Planning): Presents summary and detailed information on planned expenditures and funding needed through the 2012-2014 budget biennium for new Major IT Projects approved for planning (development approval is contingent upon funding).

Appendix B – 2011 Major IT Projects Recommended for Continued Funding (Active Projects): Presents summary information about active projects on the Commonwealth Major IT Project Status Report Dashboard recommended for continued funding (active projects are not ranked).

Appendix C- 2011 Major IT Project Descriptions: Presents the project description and investment status for each project recommended in the 2010 RTIP Report. Projects are alphabetized by Secretariat, agency and project name.

Appendix D - Status of 2010 RTIP Recommended Projects: Presents the status, as of June 30, 2011, of Major IT Projects recommended for continued or new funding in the 2010 RTIP Report.

Appendix E – CIO Scoring, Ranking and Evaluation Criteria: Presents the scoring, ranking and evaluation criteria used in FY2011.

Appendix F – Actual PMD and Weighted Scores: Presents the actual project scores assessed by PMD and subsequently weighted based on the scoring, ranking and evaluation criteria used in FY2011 as documented in Appendix E.

Appendix G – HIT/MITA Program: Presents additional information for the HIT/MITA program.