



Information Technology Investment Fund

Required by Public Act 200 of 2012 Section 814

Prepared for
House and Senate Appropriations Sub-Committees
Department of Technology, Management and Budget
February 1, 2013

Boilerplate requirements within PA 200 of 2012 includes the following language:

Sec. 814. The department of technology, management, and budget shall develop a plan regarding the use of the funds appropriated in part 1 for the enterprise wide information technology investments. The plan shall include, but not be limited to, a description of proposed information technology investments, the time frame for completion of the information technology investments, the proposed cost of the information technology investments, the number of employees assigned to implement each information technology investment, the contracts entered into for each information technology investment, and any other information the department deems necessary. The plan shall be distributed to the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies, by February 1.

This report provides information on the Information Technology projects approved by the Department of Technology, Management and Budget (DTMB) for the FY13 Information Technology (IT) Investment Fund. The DTMB evaluated the project requests and prioritized them as critical, high, or medium. The basis for determining the criticality of the project is as follows:

The basis for identifying the project as critical was the failure to replace the system which could result in:

- Loss of Life
- Compromise public safety or justice
- Loss of outside funding
- Significant risk to the enterprise
- Or a federal or legislative mandate

The basis for a high priority ranking was:

- The technology is approaching end of life
- There is considerable return on investment
- Replacing technology reduces enterprise costs
- Considerable maintenance and resources are needed to support the system

The basis for a medium priority ranking was:

- An agency would gain efficiencies by replacement

DTMB has already published public facing reports on OpenMichigan.gov. One of the dashboards specifically reports on the IT Investment Fund Projects.

http://www.michigan.gov/openmichigan/0,4648,7-266-58520_63185---,00.html

For questions please contact Greg DeCamp, DTMB Budget Officer at (517) 241-8540.

The following are projects that were approved for FY13:

Agency	Project Title	Priority	FY13 Estimated GF Amount	FY13 Estimated Gross Amount	Expended as of 12/31/12
Agriculture	e-Inspector	C	\$500,000	\$500,000	\$0
DCH	Medicaid Eligibility	C	\$12,200,000	\$121,564,900	\$0
DCH, DMVA	Electronic Health Records	C	\$7,000,000	\$7,500,000	\$0
DCH	Electronic Death Registry System	C	\$500,000	\$500,000	\$0

Agency	Project Title	Priority	FY13 Estimated GF Amount	FY13 Estimated Gross Amount	Expended as of 12/31/12
Corrections	Offender Management System	C	\$3,400,000	\$3,400,000	\$0
DEQ	Remedial Information & Data Exchange	C	\$400,000	\$800,000	\$20,600
Enterprise	Citizen Portal	C	\$1,700,00	\$8,200,000	\$38,500
Enterprise	Mi.Gov	C	\$500,000	\$500,000	\$0
Enterprise	Intranet (Sharepoint) Operational Improvements	C	\$1,500,000	\$1,500,000	\$0
Enterprise	Performance Metrics	C	\$950,000	\$950,000	\$0
Enterprise	Transparency	C	\$300,000	\$300,000	\$150,300
Enterprise	Legacy Portfolio Management Resources	C	\$200,000	\$200,000	\$0
Enterprise	Application Rationalization	H	\$1,500,000	\$1,500,000	\$0
Enterprise	Electronic Document Management Infrastructure capacity	H	\$450,000	\$450,000	\$0
Enterprise	Network Upgrades	C	\$1,500,000	\$1,500,000	\$0
Enterprise	Data Encryption	C	\$2,000,000	\$2,000,000	\$0
Enterprise	Secure Confidential Data	C	\$800,000	\$800,000	\$0
DHS	MiSACWIS	C	\$1,900,000	\$4,000,000	\$0
DTMB	MAIN Replacement	C	\$2,900,000	\$2,900,000	\$0
DTMB	Data Center	C	\$1,500,000	\$1,500,000	\$0
DTMB	Reinventing Procurement	C	\$0	\$13,000,000	\$0
State	Qualified Voter File	C	\$925,000	\$925,000	\$11,100
MDOT	Grant System	C	\$875,000	\$875,000	\$48,600
Treasury	Sales, Use, and Withholding tax system	C	\$3,500,000	\$7,400,000	\$16,400
TOTAL			\$47,000,000	\$175,075,000	\$285,500

MDARD Inspection:

Description of Project:

Implement a new streamlined and optimized inspection solution for all Michigan Department of Agriculture and Rural Development programs.

- Time frame for completion: 9/30/2014
- Proposed cost: \$700,000, FY13: \$500,000
- Number of employees assigned to implement: 4
- Contracts entered into for the project:
 - Currently developing Request for Proposal for vendor services to develop the solution

Medicaid Eligibility and Enrollment:

Description of Project:

This project is to develop a real-time eligibility determination and enrollment system for Medicaid and Children's Health Insurance Program (CHIP). The system will be interoperable with existing core systems within the State of Michigan, and with other systems that may be needed in the future. This system will provide a simplified and coordinated Medicaid/CHIP eligibility determination solution. This includes the provider screening solution for Medicaid.

- Time frame for completion: 10/1/2013
- Proposed cost (both total cost and FY13 cost): \$121,564,900
- Number of employees assigned to implement each investment: 7
- Contracts entered into for the project:
 - Analysts International to develop the Request for Proposal for services needed.

Electronic Health Records:

Description of Project:

Electronic Medical Records Business System (EMBR): Provide an application for integration of patient healthcare information (EMR), patient demographic information, patient legal status, hospital/center utilization review and billing activities for the 5 Michigan Department of Community Health State hospitals and 2 Military and Veterans Affairs homes.

- Time frame for completion: 1/30/2015
- Proposed cost (both total cost and FY13 cost): Total Cost: \$15,200,000 , FY13: \$7,000,000
- Number of employees assigned to implement each investment: 2
- Contracts entered into for the project:
 - Contract with NetSmart for development and implementation services

Electronic Death Registration System (EDRS):

Description of Project:

Electronic Death Registration System (EDRS): Provide a web based application to all authorized users who participate in completion, filing and registration of a death case with the Department of Community Health (DCH) Office of Vital Records. The EDRS provides functionality to support users at Funeral Homes, Hospitals, City or County Clerk's Offices and the DCH Office of Vital Records. The EDRS controls both the process of the creation of a legal death record and the maintenance of data 'at rest' after the death record has been created.

- Time frame for completion: 6/30/2014
- Proposed cost (both total cost and FY13 cost): \$500,000
- Number of employees assigned to implement each investment: 3
- Contracts entered into for the project:
 - Four staff augmentation contracts for resources to develop the solution

Corrections Offender Management System

Description of Project:

The Michigan Department of Corrections (MDOC) and Department of Technology, Management and Budget (DTMB) conducted a feasibility study to assess which methods (changes, reengineering direction and/or replacement strategy) should be considered for the future of the Michigan Department of Corrections offender management systems. This study analyzed new technology solutions that will support MDOC business requirements now and in the future. The MDOC and DTMB executive committee chose to modernize the Department of Corrections IT systems, eliminating the two current legacy systems, Corrections Management Information System (CMIS) and Offender Management Network Information (OMNI), creating one modern Offender Management System (OMS). The Legacy Modernization project will execute in two distinct phases and be created primarily on a Microsoft platform, with other supporting technologies.

- Time frame for completion: 1st quarter 2014
- Proposed cost: Total Cost \$12,000,000, FY13: \$3,400,000
- Number of employees assigned to implement each investment: 12 MDOC, 16 DTMB
- Contracts entered into for the project:
 - Microsoft, The Consulting Consortium (TCC), and Dell

Remedial Information and Data Exchange (RIDE):

Description of Project:

The purpose of this project is to develop a solution to manage environmental remediation and data reporting. This solution will replace two systems currently at end of life within the Department of Environmental Quality.

- Time frame for completion: 02/28/14
- Proposed cost (both total cost and FY13 cost): \$800,000
- Number of employees assigned to implement each investment: 2
- Contracts entered into for the project:
 - Analysts International

Citizen Portal

Description of Project:

The citizen portal is a secure web-based application, accessible via desktop computer, tablet or mobile device. This portal will be the single entry point for accessing information state government maintains on every citizen, i.e. education records, professional licensures, personal income records, public assistance records etc. It will also provide a simpler way for citizens to search for and find the information they need by seamlessly integrating with the Mi.gov portal to present relevant search results in a user friendly format.

- Time frame for completion: September 30, 2014
- Proposed cost (both total cost and FY13 cost): Total cost \$3,200,000, FY 13 cost \$1,700,000
- Number of employees assigned to implement each investment: 5
- Contracts entered into for the project:
 - Menlo Innovations

Mi.Gov

Description of Project:

The objective of the project is to improve the capacity and performance of the Michigan.gov hosting environment by replacing the aging servers that support the Vignette Content Delivery Application (CDA) and Content Management Application (CMA) with upgraded hardware.

- Time frame for completion: March 30, 2013
- Proposed cost (both total cost and FY13 cost): FY 13 IT Investment Fund Cost \$500,000, Total Cost \$615,200
- Number of employees assigned to implement each investment: 6
- Contracts entered into for the project: None

Intranet (Sharepoint) Operational Improvements

Description of Project:

The objective of the project is to migrate the State of Michigan agency intranet sites to SharePoint and to maintain and improve the SharePoint enterprise environment. SharePoint intranet portals provide centralized access to enterprise information and applications on the State's network. It helps to manage data, applications and information more easily. It provides organizational benefits such as increased employee engagement, centralizing process management and providing the means to capture and share tacit knowledge (e.g. via tools such as wikis/blogs).

- Time frame for completion: September 30, 2014
- Proposed cost (both total cost and FY13 cost): FY 13 IT Investment Fund Cost \$1,500,000
- Number of employees assigned to implement each investment: 6
- Contracts entered into for the project: None

Performance Metric

Description of Project:

The Performance Metrics project will support transparency and accountability by allowing the creation of scorecards at all levels of State government. The MiResults tool being created under this project will include the ability to electronically submit key metrics to support scorecards rolling up from as many as 3,585 programs into 463 divisions, 136 bureaus, 16 departments, 6 executive groups, and 1 SOM scorecard and dashboard. It also has the functionality to track strategic initiatives.

- Time frame for completion: 3rd quarter 2014
- Proposed cost (both total cost and FY13 cost): FY13 \$950,000
- Number of employees assigned to implement each investment: Five FTE's

Transparency

Description of Project:

The project is for the execution of a ChangePoint License Agreement which is needed for enterprise portfolio management and the development of online project reporting capabilities to increase transparency to all project stakeholders including the Legislature

- Time frame for completion: March 2013
- Proposed cost (both total cost and FY13 cost): Total cost \$1,700,000 FY13: \$300,000
- Number of employees assigned to implement each investment: 1
- Contracts entered into for the project:
 - Compuware Enterprise License Agreement

Legacy Portfolio Management Resources

Description of Project:

A Project Control Office (PCO) Manager has been hired to assist in managing the IT Investment Fund portfolio as well as establishing a Project Control Office to monitor and track critical investment projects.

- Time frame for completion: This will be an ongoing assigned resource
- Proposed cost (both total cost and FY13 cost): FY13 \$200,000
- Number of employees assigned to implement each investment: 1
- Contracts entered into for the project:
 - GCR Ltd.

Application Rationalization

Description of project:

Implement process and tools to evaluate total cost of ownership for existing IT applications. This will enable decisions to be made on whether to retire, update or rewrite legacy applications based on total cost of ownership. Two IT applications for the Department of Human Services and Treasury will be used to pilot this methodology. After the initial pilot the outcomes will be evaluated from the tool to determine if it should be utilized at an enterprise level.

- Time frame for completion: 9/30/13
- Proposed cost (both total cost and FY13 cost): Total estimated costs; \$1,500,000
- Number of employees assigned to implement each investment: 3
- Contracts entered into for the project:
 - IBM contract

Electronic Document Management Infrastructure capacity

Description of Project:

The project goal is to reduce paper processing and streamline the application process for state assistance programs, and all other programs that require a paper-based workflow. The solution will be developed to be accessible on mobile devices. The services will be aligned with statutory document retention polices for business units supporting agency programs and will incorporate records management best practices and provide business process review, fax, scanning, document imaging, and workflow services. A center of excellence will be created to support the solution after it is implemented and a marketing approach will be developed to drive adoption and cost savings.

- Time frame for completion: December 2017
- Proposed cost (both total cost and FY13 cost): Total Costs \$ FY13 \$450,000
- Number of employees assigned to implement each investment: 1
- Contracts entered into for the project: none

Network Upgrades

Description of Project:

The State currently has 813 state leased or owned buildings connected to the state wide area network (WAN). With the growth in rich-content applications, multi-media, mobile workers, and networked facility monitoring and security, the bandwidth provided to these sites has become insufficient. In order to move to the new and available high-bandwidth technology, the state must upgrade the building entrance facilities to accept fiber-optic network connections. This upgrade requires a one-time expense to construct underground conduit from the building to a "meet point" manhole at the street for every state owned or leased building. DTMB has identified up to 200 sites that could be better served with fiber-optic network connectivity, and will likely require increased bandwidth for staff at those sites within the next 24 months. A subset of these 200 sites will be selected as a result of site surveys to determine level of effort and cost of construction.

- Time frame for completion: 1st Quarter 2014
- Proposed cost (both total cost and FY13 cost): Total Cost \$1,500,000, FY13 \$1,500,000
- Number of employees assigned to implement each investment: 3
- Contracts entered into for the project:
 - Link Michigan Contract (multiple vendors)

Data Encryption

Description of Project:

An internal goal has been set to have all sensitive data at rest encrypted by July 1, 2013 and all in motion data encrypted by October 1, 2013. This task will involve multiple projects working with all Executive Branch Agencies. This includes securing all Oracle and MS SQL databases as well as our mainframe environments and third party vendors hosting any sensitive State data. Technical resources are necessary to complete the tasks and the Project Manager will coordinate and oversee all activities to ensure the target dates are met.

- Timeframe for completion: October 1, 2013
- Proposed cost (both total cost and FY13 cost): Total Costs \$2,000,000, FY13: \$2,000,000
- Number of employees assigned to implement each investment: TBD
- Contracts entered into for the project: TBD

Secure Confidential Data

Description of Project:

The project is broken into four sub-projects two for completion in FY13 and two for FY14. The projects are as follows:

FY13 - Websense Upgrade - Michigan is increasingly exposed to advanced attacks that use targeted lures, spear-phishing, dynamic redirects, zero-day exploit kits, obfuscated dropper files and dynamic call-home requests. Traditional signature based defenses are ineffective against these tactics which leaves our network vulnerable to threats and data theft. The new version of Websense® Web Security Gateway provides the defenses real-time threat analysis at web gateways, plus forensic reporting.

FY 13 - NetWitness Upgrade - The state has an active capture and monitoring system to identify personal information leaving the state's network as well as malware infiltrating the state's network. Currently, 24 hours worth of data can be captured. This project will add additional capacity both in disk storage and the ability to capture data at a higher rate so a weeks worth of information can be processed.

FY 14 - Enterprise Digital and Incident Response - There are too many vulnerabilities and malicious threats to assume that the state is never going to be compromised. No system is 100% secure. How fast the state reacts and how fast it can contain a compromise depends on the ability to scope the compromise, as well as remediate the threat which can prevent a compromise from leading to a breach and loss of sensitive data. The state will look to procure a set of tools that is designed by and for incident responders to collect evidence from possibly compromised machines anywhere in the state's network.

FY 14 - Enterprise Data Loss - Data loss/leak prevention solution is a system that is designed to detect potential data breach incidents in timely manner. A comprehensive solution does this by monitoring data at rest, while it is in motion as data travels across the network and while it is being used on end points (PC, laptop, etc.).

- Proposed cost (both total cost and FY13 cost): Total Cost \$3,000,000, FY13: \$800,000
- Number of employees assigned to implement each investment: 10
- Contracts entered into for the project:
 - Hewlett Packard
 - Link Michigan Contract (multiple vendors)

Michigan Statewide Automated Child Welfare Information System (MiSACWIS)

Description of Project:

Michigan's new state automated child welfare system (MiSACWIS) replaces several aged legacy computer systems used to administer children's services programs, including foster care and protective services. One common platform will administer case management, data reporting and payments. Michigan's network of private placing agencies will have access to this shared solution.

- Time frame for completion: State-wide roll out is scheduled for July, 2013
- Proposed cost (both total cost and FY13 cost): FY13 Investment Fund allocation: \$1,900,000

- Number of employees assigned to implement each investment: TBD
- Contracts entered into for the project: TBD

MAIN Replacement

Description of Project:

This project entails replacement of State of Michigan’s enterprise wide financial system- Michigan Administrative Information Network Financial Administration and Control System (MAIN FACS). MAIN FACS consists of a suite of applications and is used for processing State’s budget and accounting information. It is also responsible for disbursing payments from State of Michigan. Many of these applications were implemented in early 90s and are nearing the end of useful life.

- Time frame for completion: Projected Date of October 2018
- Proposed cost (both total cost and FY13 cost): Total cost \$152,000,000, FY13 cost \$2,900,000
- Number of employees assigned to implement each investment: 16
- Contracts entered into for the project: TBD

The project team is currently reviewing proposals to contract with an Advisory Consultant to assist the State in identifying the proper scope, governance model, funding structure, and requirements are captured to ensure project success.

Data Center

Description of Project:

The State of Michigan is pursuing a public-private partnership initiative—referred to as the Great Lakes IT Center (GL-ITC)—to replace two of its existing data centers. This project phase will result in contract execution to source the data center to an outside provider. Data center transition will be its own project / project phase.

- Time frame for completion: August 2013
- Proposed cost (both total cost and FY13 cost): Total and FY13 \$1,500,000
- Number of employees assigned to implement each investment: 12
- Contracts entered into for the project:
 - KPMG

Reinventing Procurement

Description of Project:

The purpose of the Reinventing Procurement Project is to provide a comprehensive Procurement System for the State of Michigan and local government partners. A Statewide Procurement system is needed to achieve efficiency, integration of best practices, cooperative purchasing, spend analytics and realization of overall cost savings throughout the procurement process. Establishing a procurement system, which maintains direct linkages between each component of the procurement life cycle (Identification of Need/Approvals, Acquisition, Contract Management, Receiving, Payment Processing, Inventory, and Vendor & Vendor Payee Management), will provide a level of integration that will eliminate duplication of effort and will provide for retention of, and easy access to, relevant historical data.

- Time frame for completion: March, 2015
- Proposed cost (both total cost and FY13 cost): Total Project Cost \$13,000,000, FY13 Project is not using any dollars from the Investment Fund
- Number of employees assigned to implement each investment: 19
- Contracts entered into for the project:
 - Periscope Holdings

QVF Refresh

Description of Project:

The Qualified Voter File (QVF) system is a critical and public facing service that the Michigan Department of State (MDOS) Bureau of Elections provides to 83 County clerks and close to 1,000 local officials to continually track and update voter registration files for over 7 million voters and to support/administer all elections within the State of Michigan. The original QVF system was first developed and deployed in the late 1990s. The objective of this project is to refresh the current architecture and software platform (Delphi) to a supported DTMB application standard and update the user interface. In addition, the project team will ensure the application has a sustainable support model moving forward.

- Time frame for completion: 2nd quarter 2015
- Proposed cost (both total cost and FY13 cost): Total Cost \$2,500,000, FY13 \$925,000
- Number of employees assigned to implement each investment: 20
- Contracts entered into for the project: None

Michigan Department of Transportation Grant System

Description of Project:

Phase I: This project will modernize the Michigan Department of Transportation's (MDOT) outdated Transportation Enhancement Development System (TEDS) application and integrate into the new MDOT Grant System (MGS). This will provide a single and streamlined grant process resulting in reduced maintenance, support and training costs while improving the management and distribution of grants for MDOT & all project stakeholders.

- Time frame for completion: 6/28/13
- Proposed cost (both total cost and FY13 cost): Total Cost \$1,182,900 FY 13 \$875,000 total for Phase I
- Number of employees assigned to implement each investment: 11
- Contracts entered into for the project: none

Sales, Use, and Withholding tax system

Description of Project:

The Sales, Use and Withholding Tax legacy system is the highest priority for replacement. The project is comprised of two components; Phase 1 - Business Tax Registration and, Phase 2 - Sales, Use, and Withholding tax module. By moving these components into the new tax system environment, the Department of Treasury will be one step closer in creating a unified and integrated system capable of handling all tax types seamlessly. The new system will increase the amount of data captured not only through the registration process, but also the submission of tax returns. This in turn would allow for better compliance and auditing.

- Time frame for completion: 8/28/2015
- Proposed cost (both total cost and FY13 cost): Total Cost: \$23,100,000, FY 13 Costs: \$7,400,000 (IT Investment Fund Costs: \$3,500,000, Other Funds (Treasury) \$3,900,000).
- Department of Treasury will incur additional project costs of \$2,753,300 with FY13 costs incurred of \$575,000.
- Number of employees assigned to implement each investment: 15 DTMB –staff and 18 Treasury – staff
- Contracts entered into for the project:
 - Deloitte
 - Accenture
 - SAP
 - IBM
 - Project Control Office Vendor – Vendor services to provide oversight of all tasks, schedules, statement of work for all contract staff, DTMB staff and agency staff assigned to project. Currently out to bid.
 - Optum