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Oregon Legislative Fiscal Office (LFO)

- Legislative Fiscal Officer (Ken Rocco) appointed by co-chairs of Joint Committee on Ways and Means (Senator Courtney and Representative Nathanson)

- LFO is a permanent nonpartisan legislative service agency that:
  - Provides comprehensive research, analysis, and recommendations on state’s biennial budget
  - Evaluates state expenditures, program administration, and agency organization
  - Assists in developing Legislature’s adopted balanced budget
  - Prepares fiscal impact statements on legislative measures
  - Publishes detailed analyses, summary documents, and briefs on budget-related topics
  - Performs other duties as directed by the Legislative Fiscal Officer

https://www.oregonlegislature.gov/lfo
Oregon Legislative Fiscal Office (LFO)  
Provides Professional Staff Support

- Emergency Board (Legislative Interim)
- Joint Committee on Ways and Means
- Joint Legislative Audits Committee
- Transparency Oregon Advisory Commission
- Joint Legislative Committee on Information Management and Technology
- Other Special Committees or Task Forces
Oregon Legislative Fiscal Office (LFO)

JLCIMT Statutory Committee
(ORS 171.852 - 171.855)

- Establish Statewide IT Goals and Policy
- Provide IT Project and Cybersecurity Oversight (Support JWM)
- Conduct Studies IT & Cybersecurity
- Introduce & Oversee IT & Cybersecurity Policy Bills

• https://www.oregonlegislature.gov/bills_laws/orl/ors171.html
• https://olis.leg.state.or.us/liz/2017R1/Committees/JLCIMT/Overview
Historical IT Project Performance


Succeeded | Failed | Challenged
---|---|---
2000 | 28% | 23% | 49%
1998 | 26% | 28% | 46%
1996 | 27% | 40% | 33%
1994 | 16% | 31% | 53%

Project success rates are rising. This chart depicts the resolution of the 30,000 applications projects in large, medium, and small cross-industry U.S. companies tested by The Standish Group since 1994.

Standish Group International - 2001
IT Project Performance from 2000 - Forward

• Public & private sector organizations across the nation - significant challenges meeting budget, schedule, quality objectives for large IT projects.

• 2002 Article - MIT’s Sloan Management Review
  • Estimated that 68% of corporate IT projects were neither on time or on budget, and didn’t deliver on originally stated business goals and objectives

• 2004 Computerworld Article
  • “…72% of large projects are late, over budget or don’t deliver anticipated value…a 28% chance of success.”

• Standish Group (2004)
  • Studied over 40,000 projects in 10 years to reach the findings
  • Project success rates increased to 34 percent of all projects.
2017 IT Project Performance
Budget & Schedule

Figure 5. Percentage of Projects Completed On-Time

State/Local Government – 67% avg.

State/Local Government – 79% avg.
Lack of Rigor = Poor Performance

Figure 26. Projects or Initiatives that are Floundering or Ineffective are "Killed"

Source: Gartner IT Key Metrics Data (December 2017)
Performance Improvements by Design
Top 10 Reasons Why IT Projects in Government Fail

1. Unclear or unrealistic business case
2. Misaligned accountability and incentive structure
3. Insufficient management or technical expertise by the external service provider or unfamiliarity with the agency's or government's architecture
4. Poor project discipline and process controls that impede the ability to make informed decisions
5. Inadequate performance management practices and tracking systems
6. Ineffective governance
7. Uncertain budget environments
8. Failure to define, control and track changing requirements
9. External factors such as change of administrations, excessive or intrusive oversight, and external service provider mergers or bankruptcies
10. Government and external service provider overconfidence as to risk

Gartner, Inc ("Why IT Projects Fail in Government" – 2006)
Large IT Projects

▪ ...(with few exceptions) exceed $1M and span multiple years, sometimes multiple biennia, in duration.
▪ ...are typically, mission critical, inherently risky and complex.
▪ ....Have original budget and schedule estimates that were, in most cases, established twelve to fifteen months prior to biennium in which the agency plans to initiate the project
▪ ...Require a control structure and the consistent and “gated” application of controls for scoping, planning, funding, executing, and overseeing project work
Oregon IT Investment Lifecycle - Diagram

**15 months**

**“On-Budget” Cycle**
- Business & Technology Planning
- High Level Project Planning & Business Case Development
- Budget Development & Approval

**Biennium Boundary**

**“Off-Budget” Cycle – Biennium of Execution**
- Detailed Project Planning
- Procurement
- Project Execution, Implementation & Closing

**Post LAB - Business Case & Project Plan Reconciliation**
- Conduct IT Investment Review
- Provide Recommendations to CFO/LFO
- Assess SDC/ESO Impact & Architecture Alignment

**Quality Assurance Oversight & Spot Audits**
- LAB Approved Projects – Project information provided met all IT Investment Review and Approval Requirements

**IT Investment Review and Approval Process**
1) Projects that lacked sufficient detail in the budget process
2) Off-budget cycle projects

**Assess SDC/ESO Impact & Architecture Alignment**

* LAB – Legislatively Adopted Budget
* OSCIO – Office of the State Chief Information Officer
* SDC – State Data Center
* ESO – Enterprise Security Office

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* DAS OSCIO
* 15 months
* 24 months

Policy & Legislative Direction

- IT related Biennial Budget Instructions
  - Spreadsheet (PPM Tool)- all projects >$150,000 (BASE or POP)
  - Policy Option Package (new $, Positions, Limitation)
  - Business Case for all projects >$1M
    - Business Case Document (Initial/updates for continuing IT projects)
    - Detailed Project Plan for continuing IT projects not previously approved by the State CIO.

- IT Investment Oversight Policy
  - IT Investment Form & Business Case for all projects >$150,000

- IT Oversight & QA Policy Requirements
  - Independent QA Oversight for major IT projects

- Other Statutory Obligations
  - e.g. ORS 276A.203, 276A.206, 276A.223, 276A.300, 276A.233 -276A.236, 276A.400 - 276A.415, etc.
Policy & Legislative Direction
New for 2019-21 – IT Project Prioritization

2019-21
Budget & Legislative Concepts
Instructions

March 2018

State of Oregon
Department of Administrative Services
Class Financial

New for 2019–21

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- IT Project Prioritization

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Joint State CIO/LFO
Stage Gate Review Process

- Pre-Stage Gate 1: Concept Development/Project Initiation
- Stage 1. High Level Planning & Business Case (Initial → Detailed)
- Stage 2. Updated Business Case + Foundational Planning
- Stage 3. Detailed Planning – Transition to Project Execution
- Stage 4. Transition from Project to Operations (Program)
Contact Information

Sean McSpaden, PMP, CISM
Principal Legislative IT Analyst
JLCIMT Committee Administrator
Oregon Legislative Fiscal Office
Phone: (503) 986-1835
Email: Sean.L.McSpaden@state.or.us
Resources

• 2019-2021 Budget Instructions
  • https://www.oregon.gov/das/Financial/Documents/BudgetInstructions.pdf

• IT Project Prioritization Guide & Matrix
  • https://www.oregon.gov/das/Financial/Documents/Project_Prioritization.doc
  • https://www.oregon.gov/das/Financial/Documents/Prioritization_Matrix.xls

• IT Investment Oversight Policy
  • https://www.oregon.gov/das/Policies/107-004-130_PR.pdf
  • http://www.oregon.gov/das/OSCIO/Documents/107-004-130_IT%20Investment_Form.docx

• IT Oversight & QA Policy Requirements
  • https://www.oregon.gov/das/Policies/107-004-030_PR.pdf
Resources

Joint State CIO/LFO Stage Gate Review Process
- Guidance - https://www.oregon.gov/das/OSCIO/Pages/StrategyStageGate.aspx
- Presentation - https://olis.leg.state.or.us/liz/2013I1/Downloads/CommitteeMeetingDocument/37161
- Diagrams - https://olis.leg.state.or.us/liz/2013I1/Downloads/CommitteeMeetingDocument/37163

Business Case Development
- LFO Business Case Evaluation Template – Available upon Request
Governance Methodologies and Standards

Methodology Standards

- Project Management
  - Project Management Body of Knowledge (PMBOK)
- IT Service Management
  - IT Infrastructure Library (ITIL)
- IT Security
  - NIST 800 series
  - ISO 27001, ISO 27002
- Control Objectives for Information Technology (COBIT)
- Risk Management
  - ISO 31000, COSO ERM Framework
- Change Management - Varied
- Other – To be determined/Project specific