

State of California HEALTH AND HUMAN SERVICES AGENCY



February 24, 2009

KIMBERLY BELSHÉ
SECRETARY

Shank
Mr. Stuart Drown
Executive Director
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

Dear Mr. Drown:

Thank you for the opportunity to discuss the Governor's proposed consolidation of state information technology functions under the State Chief Information Officer (OCIO).

In its invitation to testify, the Little Hoover Commission raised six specific issues regarding the California Health and Human Services Agency's Office of Systems Integration.

1. Why is the California Health and Human Services Agency (CHHS) better equipped to administer the Office of Systems Integration than the OCIO?

The OCIO has identified the OSI as a center of excellence for project management and IT procurement. Even though the OSI has a strong foundation for an enterprise project management office, the OCIO and CHHS believe that leaving the OSI in CHHS will maximize the opportunities for the success of the projects managed by the OSI. The OSI currently has five active projects that are either in the procurement phase or the design and development phase. They are: Child Welfare Services/Case Management System; LEADER Replacement; Electronic Benefit Transfer system; Case Management Information Payroll System; and Unemployment Insurance Modernization project. The estimated values of these projects are \$1.3 billion. These projects are at critical stages and we have concerns that any changes to the current configuration could jeopardize the successful implementation of these projects. The OSI will provide assistance to the OCIO as they develop OSI-type offices within other agencies.

Aging
Alcohol and
Drug Programs
Child Support
Services
Community Services
and Development
Developmental
Services
Emergency Medical
Services Authority
Health Care Services
Managed Risk
Medical Insurance Board
Mental Health
Public Health
Rehabilitation
Social Services
Statewide Health
Planning and
Development

2. If OSI is not part of the OCIO, how can other state agencies benefit from OSI's expertise?

Currently, the OSI has developed and maintains a unique web-based Best Practices framework for project management and acquisition services that provides a structured methodology utilizing standardized and repeatable processes throughout the project life cycle. This Best Practices framework has received national recognition and is available to all other state agencies. The OSI continues to make efforts to make other agencies aware of the Best Practices framework through presentation at meetings. Information about the framework is also available on the website of the OCIO and on the website of the National Association of State Chief Information Officers (NASCIO).

3. What projects currently are in the OSI portfolio?

Government Code section 12803.3(g) specifically identifies the six projects/systems managed by the OSI:

- Statewide Automated Welfare System (SAWS)
- Child Welfare Services/Case Management System (CWS/CMS)
- Electronic Benefit Transfer (EBT)
- Statewide Fingerprint Imaging System (SFIS)
- Case Management Information Payrolling System (CMIPS)
- Employment Development Department Unemployment Insurance Modernization (UIMOD) Project

4. Is the OSI fully utilized across CHHS' departments?

Current law (Government Code section 12803.3(k)) restricts the OSI to managing the six projects/systems identified in the statute. Only two CHHS departments, the Department of Social Services and the Department of Health Care Services, are project sponsors. We will be working with the OCIO in helping to develop OSIs in other agencies while expanding our reach within our own.

5. Does the OSI have capacity to take on other work not in its current portfolio?

Currently, OSI resources are specifically justified for management of one or more of the six designated projects and are funded through the federal, state and county programs that the projects support. In addition, the OSI lacks the statutory authority to manage other projects.

Mr. Stuart Drown
February 24, 2009
Page 3

6. What measures has the OSI developed to track and report progress of technology projects?

The OSI has several strategies for tracking projects and reporting on progress. Each project completes a monthly Project Status Summary Report and a Monthly Project Roadmap. The Project Status Summary Report provides a current synopsis of project status including scope, schedule, resources, budget, contract status, risks, issues, key tasks completed, milestones planned, and customer/sponsor satisfaction. The Project Roadmap provides an executive level overview of the project lifecycle timeline for each project in the OSI portfolio. The OSI also utilizes independent project oversight consultants (IPOC) and independent verification and validation (IV&V) in planning and development of projects. In addition, the OSI develops comprehensive communication strategies for each project in order to engage and involve all the relevant stakeholders. Also, OSI worked with the OCIO to develop project management standards, tools and templates. These standards/templates will be required for use by all departments. Finally, as noted above, the OSI maintains a comprehensive Best Practices website, which includes processes for project Monitoring and controlling.

Again, thank you for the opportunity to provide comments on the OSI. If you have questions or require additional information, please contact me at (916) 654-3454.

Sincerely,



JOE MUNSO
Undersecretary

JM/WI