Senator Humphries
Representative Elliott
Capital Planning Advisory Board

Dear Senator Humphries and Representative Elliott,

I am pleased to submit to the Capital Planning Advisory Board the results of our review of the information technology projects for the next biennium. Members of my staff and agency representatives performed the review. We focused specifically on information technology projects for the 2018-2020 biennium utilizing a proven methodology that promotes an objective view to determine those systems with the highest value and least potential risk to the Commonwealth. The results of this review are contained within three reports:

- Appendix A: 2018-2020 All Funds Capital Information Technology Projects Listing
- Appendix B: 2018-2020 General Fund High Value Information Technology Projects
- Appendix C: 2018-2020 Chief Information Officer: Additional Priorities

Each capital project submission provides value and I feel the projects identified with the acronym of "HV" in the enclosed reports best support the strategic direction of the Commonwealth and provide the greatest return on our investments.

Kentucky is making progress with its use of information technology to serve the Commonwealth's citizens. I look forward to continuing to work with this body so that together we can continue to move Kentucky forward.

Sincerely,

Mark Bunning
Deputy Secretary
Finance and Administration Cabinet

Executive Summary

Kentucky's retirement system is not the only funding crisis faced today. Information Technology (IT) is essential to the daily operation of state government and the rapid pace of technology evolution means that "legacy" no longer means systems that are 25 years or older but in many cases only 10-15 years old. Unfortunately, many executive branch systems have been in place for decades longer than that and keeping those systems current becomes more expensive every year as the limitations of antiquated technology increases. Many agencies cite eBay as the primary supplier of parts for their hardware components, when available. For some agencies, public safety and constituent services balance on a razor's edge and a complete inability to function are only one component outage away. For many other agencies, the ability to move from manual processing to electronic systems would likely save considerable monies over time but the initial investment of capital funds prohibits many of these efforts from ever being more than a proposal. The Capital project approval process sees valid High Value projects appear repeatedly every two years due to a lack of available funding. This cycle alone approximately $384.6 million would be needed to meet all proposed needs, with nearly 50% of project requests being for legacy system replacement (12 of 25).

This cycle cannot continue. There are two possible solutions. One hope for the future is 'the cloud'. Cloud technology is a lease model where agencies only pay for what they use for as long as they use it. This limits the need for large CapEx investments up front and may finally allow some state agencies to move into the electronic age. Cloud technology still has some concerns, but they grow smaller every day. Agencies must work with COT and the Chief Information Security Officer (CISO) to select the appropriate partners for long-term commitments. They must also understand that the use of cloud technology does not release them from the need for contract oversight to ensure the cloud vendors protect the data entrusted to them by Kentucky's citizens and the businesses working within its boundaries. The Commonwealth Office of Technology (COT) predicts that over the next biennium 10% of existing state government systems could be re-located to the cloud.

Another opportunity to improve the use of technology is for the Commonwealth to procure a common application platform that is fully configurable to allow multiple smaller applications from a variety of state agencies to reside upon this one system. Not only would the economies of scale keep the costs down but also upgrades would be much easier since there is no or minimum custom coding. Software development occurs by combining pre-developed components connected by an automated processing engine or workflow rather than from scratch. This approach can increase application development by a factor of ten (10x) over the traditional practices currently used throughout the Commonwealth, allowing for the following large categories of benefits to be realized - increased security, improved efficiencies, and decreased development costs.

The rate of change in IT continues to increase exponentially with things that were mere dreams less than a decade ago, now part of day-to-day reality. The 'Internet of Things', or 'IoT', has entered the mainstream vocabulary much as the World Wide Web did nearly 25 years ago. Using a cellphone app to request a car for an hour or a day is already commonplace while the retail sale of self-driving cars is just over the horizon. Our citizens utilize these types of advances every day in their interaction with businesses and friends. They expect the same capabilities from their government. The Commonwealth must make a dedicated effort to provide the funding to allow state agencies the opportunity to enter into the 21st Century business mainstream.

The agencies of the Commonwealth submitted a variety of proposals to replace aging systems or to provide services more efficiently and effectively to their constituents. Presentations were well thought out and displayed a deep understanding of agency business needs and how IT can be utilized to perform 'more with less'. Considerable time and effort went into gathering the necessary information to submit these viable proposals. These presentations were not for 'gold-plated' solutions but rather basic needs essential to the core business functions of the agency.

To start the review process, the Commonwealth Office of Technology once again worked with the Technology Advisory Council (TAC), to establish a workgroup to participate in all aspects of the Capital IT projects review and scoring process. Representatives from a wide array of state agencies, including the Cabinet for Economic Development, the Cabinet for Health and Family Services, the Energy and Environment Cabinet, the Office of the State Budget Director, and the Personnel Cabinet, joined COT on the criteria review and scoring panel. These representatives also covered the functional breadth of information technology, business and financial knowledge.

For the 2018-2020 biennium submissions, agencies realized that funding for other Commonwealth financial priorities could limit funding availability for capital IT projects. Submissions totaled only twenty-five (25) this budget cycle, well below the 2016-2018 cycle count of forty-two (42) projects.

There is an approximate $384.6 Million need to fulfill all requests across all funding sources as opposed to the $226.7 Million in projects submitted by state agencies for consideration during the prior planning cycle. Only five (5) projects had a cost estimate over $10 Million with only two (2) true 'mega projects'. The average cost across the remaining 23 projects is roughly $6.8 Million with six (6) projects costing $1 Million or less and an additional seven (7) costing between $1-3 Million.

Eight (8) projects were repeat submissions from the previous cycle and four (4) of these were additionally repeated from the 2014-2016 biennium submissions. Several of these projects classified as 'High Value' in the previous report with recommendation to the Capital Planning Advisory Board for consideration of funding. Some of these same projects have earned the 'High Value' distinction again this time and where possible monies to support as many of these efforts as possible should be approved to make state government more efficient and provide additional 'any place, any time' service opportunities for our citizens and businesses.

Based upon the recommendations of the evaluation team, the Chief Information Officer of the Commonwealth has produced two reports for the Capital Planning Advisory Board to consider in its formulation of a statewide capital improvement plan. These reports are the direct result of COT's well-established review methodology and evaluation process. These enclosed reports are titled:

- Appendix A: 2018-2020 All Funds Capital Information Technology Projects Listing
- Appendix B: 2018-2020 General Fund High Value Information Technology Projects

A third report highlights other projects that specifically enable the Commonwealth to achieve its strategic goals but fell just short mathematically of receiving an 'HV' designation. This enclosed report is titled:

- Appendix C: 2018-2020 Chief Information Officer: Additional Priorities

2018-2020 Capital Improvement Plans

**Overview and Assessment of Information Technology Capital Items
for the Capital Planning Advisory Board**

**Commonwealth Office of Technology
June 2017**

Introduction

The Commonwealth Chief Information Officer (CIO) submits this report to the Capital Planning Advisory Board (CPAB) as requested and required by 1 KAR 6:020. At the request of the CPAB, the CIO has primary responsibility for information technology (IT) capital item review, assessment, prioritization and enterprise ranking for Executive Branch agencies. The CPAB has requested that the CIO report capital IT items or systems to identify high priority needs, particularly those requested for financing from General Funds (cash or bonds). Additionally, the CPAB requested that the CIO present the criteria upon which the information technology items or systems are determined to have high value and priority. Finally, the CPAB encourages the CIO to include in this report recommendations or information on any other items affecting information technology in state government, believed to be helpful to the CPAB in developing its statewide plan.

The CPAB will find in the presentation of this report that the CIO has once again undertaken a defined, disciplined and objective approach to the evaluation of capital IT requests submitted by executive branch state agencies. COT has worked closely with the Technology Advisory Council (TAC) to facilitate a thorough review and analysis resulting in the recommendations outlined in this report.

For the 2018-2020 capital planning cycle, there were twenty-five (25) Capital IT projects submitted by Executive Branch state agencies. Neither the CIO nor COT has oversight authority for information technology initiatives in the Legislative or Judicial branches as stipulated in KRS 11.509.

Summary of Capital IT Projects Submissions

The planned budget amounts of capital items submitted by agencies for the 2018-2020 cycle totals approximately $384.6 Million. These monies are broken down into the following categories and compared to last cycle:

		2018-2020	2016-2018
•	General Funds -	$314.1 M	$146.0 M
•	Federal Funds -	38.3 M	36.5 M
•	Restricted Funds -	29.7 M	29.5 M
•	Road Funds -	7.0 M	13.4 M
•	Private Funds -	2.9 M	1.3 M

Evaluation of Capital IT Projects

To execute its responsibility to provide a meaningful and justifiable review of capital IT submissions to the CPAB, and to quantify the business value and potential risks of the submissions, COT continues to apply a disciplined, objective review and analysis process incorporating clearly defined criteria and scoring attributes. COT continues to use a formal evaluation tool to facilitate the analysis and ranking of IT project submissions.

Any technology endeavor must improve the manner in which the Commonwealth conducts business and ultimately must lead to the provision of better service to its citizens. To that end,

COT again requested that agencies prepare their requests utilizing both a formal business case and Total Cost of Ownership (TCO) templates that would help clarify and quantify the value of each submission. Delivery of the inherent business value of any Commonwealth IT project must occur while introducing minimal or no additional risk or duplicative efforts to either the project or the organization. Traditionally large dollar projects delivered as 'big bang' at the end of multiple years requiring considerable development or customization are at increased risk for not delivering upon the initially agreed scope or being unsupportable over time. This review cycle once again also gave consideration for those legacy systems that are becoming more difficult to modify to new business or legal requirements and increasingly more difficult to find staff to maintain because the development languages utilized are no longer being taught at colleges and universities across the nation. A total of twelve (12), nearly 50%, of the submitted projects were for legacy system replacements.

Evaluation of each capital IT project by the eight (8) members of the review committee was against the following independent criteria: Business Value and Risk Factors. The two (2) major criteria were comprised of twelve (12) subcomponents as follows, each numerically weighted with an explicitly defined ranking structure:

Business Value:

Business Case & Justification
External Requirement
Efficiency includes Cost Savings or Avoidance, Revenue or Accountability
Executive Sponsorship
Service Improvement thru Shared Services
Improved Quality of Life for Citizens

Risk Factors:

Change in Total Cost of Ownership
System Data Classification
Solution Definition
Implementation Timeline
Level of Complexity
Legacy System Replacement

Each capital IT project submission had both a composite business value index and a risk factor index calculated. Those projects exemplifying the highest business value and lowest overall risk achieved the designation of 'High Value' (HV).

The two enclosed reports, detailing the ranking of the submitted projects are entitled:

- *Appendix A: 2018-2020 All Funds Capital Information Technology Projects Listing*
- *Appendix B: 2018-2020 General Fund High Value Information Technology Projects*

For a more detailed overview of the methodology and ranking process please see the document enclosed within this report entitled: *Appendix D: Information Technology Capital Project Review Process.*

Chief Information Officer: Additional Priorities

The CIO has defined a priority list of additional general fund capital IT projects based upon the strategic goals of the Commonwealth and/or interactive discussion with state agencies. These goals address priority areas throughout state government that may not have received 'HV' designation but have the potential for maximizing agency business value with properly applied project and risk management techniques.

The CIO proposes the following list of projects for funding consideration based on their direct contribution to meeting the strategic goals of the individual agencies and/or Commonwealth.

- *Appendix C: 2018-2020 Chief Information Officer: Additional Priorities*

Information Technology Observations and Recommendations

1) With the conclusion of the infrastructure consolidation project in the previous biennium, the evolution of enterprise technology in state government has entered a new phase, one in which significant new opportunities exist to identify cost savings opportunities through reductions in duplicative effort and expenditures. As agency IT siloes are broken down, shared services will be made available, and technical solutions can be obtained in the cloud or 'off the shelf' rather than built by hand.

   A significant portion of this opportunity results directly from the increased transparency into agency technology investments created in the Business Applications Inventory recently completed by COT with the cooperation of the Technology Advisory Council. The knowledge created from this inventory allows the enterprise to optimize its expenditures and sets the stage for enterprise management of the IT portfolio in a way never before possible. It has made evaluation of the IT project proposals easier this review cycle and is the basis for two of COT's submissions for enterprise-focused projects: Enterprise Document Management and Legacy System Retirement. In future cycles, portfolio management will have an even greater impact on IT project submissions and evaluations.

2) Independent Verification & Validation (IV&V) is required for large-scale federal systems as a means to ensure that the project has the highest chance of success, i.e., meeting the scope, budget and schedule laid out at the beginning of the project. Verification checks that the system design is correct from the beginning. Validation checks that the system meets the user's needs. It is independent since the group that performs the function does not report in any means to the agency doing the project. The IV&V process occurs throughout the project life cycle to ensure that any potential issues be identified as early as possible to eliminate system faults while minimizing costs. COT recommends that beginning with the 2020-2022 Budget Planning cycle that agencies be required to include 10% into the budget proposal for all projects over $1 million dollars to cover IV&V services. Agencies would select these services from either COT or an IV&V vendor on state contract.

Appendix A: *All Funds Capital Information Technology Projects Listing*

2018-2020					
Cabinet	**Agency**	**Project Title**	**Budget**	**Fund Source**	**High Value**
CHFS	GAPS	Child Support System (KASES III)	58,000,000	GF/FF	HV
CHFS	GAPS	DAIL System Modernization	601,000	GF	HV
CHFS	Public Health	Budget, Accounting & Reporting System	4,220,000	RF	
CHFS	Public Health	Vital Statistics Phase I Digitized System	2,700,000	RF	HV
CHFS	Public Health	Vital Statistics Phase II Scan & Image	7,320,000	GF	
Education/Workforce	General Administration	Unemployment Business Case	10,440,000	GF	
Education/Workforce	KY Educational Television	KET Digital Infrastructure Maintenance Pool	1,000,000	GF	
Energy & Environ	Environmental Protection	Online Permitting/Submittals (eForms)	856,000	GF	HV
Finance	Commonwealth Office of Tech	Enterprise Document Management	8,000,000	GF	HV
Finance	Commonwealth Office of Tech	Enterprise Infrastructure	8,000,000	RF	HV
Finance	Commonwealth Office of Tech	Legacy System Retirement	20,000,000	GF	
Finance	Revenue	Integrated Tax System	92,500,000	GF	
Finance	KY Lottery Corp	IBM iSeries System Upgrades	1,200,000	PRIV	
Finance	KY Lottery Corp	ERP Upgrade	700,000	PRIV	
Finance	KY Lottery Corp	Data Processing, Telecomm & Related Equipment	1,000,000	PRIV	
General Gov't	Agriculture	Inspection and Licensing Project	2,237,200	GF	
General Gov't	KY Teacher's Retirement System	Pension Management System Modifications	5,000,000	RF	
General Gov't	Veteran's Affairs	Nurse Call System	1,550,000	GF	HV
Justice	Dept. of Corrections	Upgrade KY Offender Mgmt. System	1,330,000	GF	
Justice	KY State Police	Emergency Radio System Replacement	141,500,000	GF	HV
Labor	Secretary's Office	Claims Payment Management System	2,460,000	RF	
Tourism,Arts&Heritage	KY Heritage Council	Records Digitization	1,000,000	GF	HV
Tourism,Arts&Heritage	Parks	Cable Infrastructure Plan & Implementation	6,000,000	GF	
Transportation	Secretary's Office	Highways IT Application Modernization	3,000,000	ROAD	
Transportation	Vehicle Registration	Motor Carriers Tech Modernization	4,000,000	ROAD	
		Total	**$384,614,200**		

Appendix B: *General Fund High Value Information Technology Projects*

	2018-2020				
Cabinet	**Agency**	**Project Title**	**Budget**	**Fund Source**	**High Value**
CHFS	GAPS	Child Support System (KASES III)	19,720,000	GF/FF*	HV
CHFS	GAPS	DAIL System Modernization	601,000	GF	HV
Energy & Environ	Secretary's Office	On-line Permitting & Submittal (eForms)	856,000	GF	HV
Finance	COT	Enterprise Document Management	8,000,000	GF	HV
General Gov't	Veteran's Affairs	Nurse Call System	1,550,000	GF	HV
Justice	Department of State Police	Emergency Radio System Replacement	141,500,000	GF	HV
Tourism,Arts&Heritage	KY Heritage Council	Records Digitization	1,000,000	GF	HV
		Total	**173,227,000**		

* Budget amount represents only the General Fund commitment of the total project amount

Appendix C: *Chief Information Officer: Additional Priorities*

2018-2020					
Cabinet	**Agency**	**Project Title**	**Budget**	**Fund Source**	**High Value**
Ed & Workforce	General Administration	Unemployment Insurance Business Case	10,440,000	GF	
Finance	COT	Legacy System Retirement	20,000,000	GF	
Finance	Revenue	Integrated Tax System	92,500,000	GF	
General Gov't	Agriculture	Inspection and Licensing Project	2,237,200	GF	
		Total	$125,177,200		

Purpose
To define and apply an objective, disciplined, and justifiable methodology for reviewing and determining the value of information technology capital projects to the Commonwealth.

Scope
All Executive Branch Information Technology capital projects planned for the 2018 - 2020 biennium.

2016-2017 Critical Dates

OCT 17	Present draft criteria and process to the Technology Advisory Council (TAC)
NOV 15	Sign-off on criteria and process by Commonwealth's Chief Information Officer
FEB 10	Provide criteria and process to the Capital Construction LRC support staff
FEB 13	Criteria and process available on Technology.ky.gov website
APR 28	All Capital Projects submitted to LRC
MAY 22 - 24	Agency review meetings
JUN 6	Transmit final capital report to the Capital Construction LRC support staff
JUN 20	Present final capital report to the Capital Projects Advisory Board (CPAB) Committee

Approach
1. COT will work with CPAB, OSBD and TAC to define capital project review criteria, methodology and timeline
2. Agencies will submit Capital IT Projects within the CPAB system assuring inclusion of TCO & Business Case components
3. Agencies will present an overview of their 2018 - 2020 capital plan and projects, addressing the criteria components, with discussion and Q&A to follow. A panel will evaluate and score each capital project.
4. NOTE: Criteria determined to be "N/A" for a specific project by the panel will result in that particular criteria not being included in the calculations for that particular project.
5. COT Office of Enterprise Technology will rank projects based upon panel scoring and draft the Capital Projects Findings and Summary Report
6. CIO will make final priority determination
7. COT will transmit the final capital report to the Capital Construction LRC support staff (Shawn Bowen)
8. The Commonwealth CIO or designee will present the final capital report with recommendations to the CPAB.
9. A copy of the final report and presentation to the CPAB will be posted to the Technology.ky.gov website

Capital Project Review Criteria

Evaluation of each proposed Information Technology capital project will be against two sets of criteria: Business Value and Risk Factors. Projects assessment will be against each criteria component on an explicitly defined scale of 0 to 5. An objective score will be the result of a cross-agency evaluation of the project as submitted to the Capital Planning Advisory Board, and a presentation and interactive discussion conducted with each agency's information technology officer.

Business Value

Business Case
Has a business case been prepared and submitted to include such items as Business Need/Benefits, High-level Requirements and/or Features, Expected Risks, Critical Success Factors, Assumptions, and/or Return on Investment (quantitative or qualitative) and Mean Time to Pay Back? Does the business case show a significant justification and/or rapid ROI as support for the investment?

External Requirement
What are the circumstances outside the control of the Executive Branch that are influencing the need for the project? Is the influence indirect (i.e., a change in one system that necessitates a change in another), or direct (i.e. the result of legislative, federal or judicial requirements or fines/penalties)?

Efficiency
Does the project outline demonstrable and quantifiable savings, revenue generation, or cost avoidance? Does the project provide additional transparency or accountability? Are efficiency gains SMART (Specific, Measurable, Achievable, Realistic and Relevant, Time-limited)?

Executive Sponsorship
How important is the technology project among the entire cabinet's capital project priorities?

Service Improvement
Does the proposed project automate existing processes? Will processes redefinition occur prior to automation? Does the proposed project provide new online services to citizens or business? Does the proposed project support or directly enable the success of other project(s) either within the agency or across agencies?

Improved Quality of Life for Citizens
Will the project directly affect an improved quality of life for a percentage of Kentucky citizens through improved public health, education, safety, infrastructure, environmental issues, economic development or similar enterprise initiatives?

Change in Total Cost of Ownership

What is the change in TCO of the project (includes new project hardware, software, state staffing, vendors/contractors, support and maintenance, etc. for the first 5 years of the initiative versus existing operations (manual or current system costs))?

Data Classification

Will the system contain personally identifiable data (PID) defined as 'sensitive' within Enterprise Architectural Standards subdomain 4080 (https://cgp.ky.gov/sites/COTPUBDOCS/Standards/KITS_Report.pdf)? If so, what safeguards within the system will deter identity theft?

Solution Definition

What is the anticipated level of effort to customize, develop, invent, or create the proposed solution? Is a solution available "off the shelf" that can meet a high percentage of the required functionality with minimal customization? Is there existing software currently in use at any other cabinet that could meet the need instead of purchasing a new software package or developing a new application?

Implementation Timeline

What is the timeframe for implementation? How quickly will the Commonwealth see a Return on Investment? Will the implementation be all at once ('big bang') or will the functionality be implemented in multiple, smaller phases or deliverables?

Level of Complexity

What is the level of effort and technical complexity required to make the project successful? Is the expertise to implement fully in-house or will contract staff be needed and for how long? Are there plans to train state staff to replace contract staff? Are there skill sets currently available in-house to be used to manage the Vendor(s) that provide the solution? Has the Agency undergone a major system implementation in the last five (5) years? Will business process re-engineering and/or organizational change management efforts be a part of the project?

Legacy System

Will the project replace an existing system that is antiquated (based on outdated technology) or difficult to maintain/update because development resources are not available or difficult to find in the marketplace? Cumulative 'System Life Cycle Assessment' score of Risk Modernization Assessment will determine overall scoring (For calculation purposes, systems that score a '4' or '5' in this category will not include the Change in Total Cost of Ownership in project assessment. Systems submitted that are not a legacy replacement will not include this weight factor.)
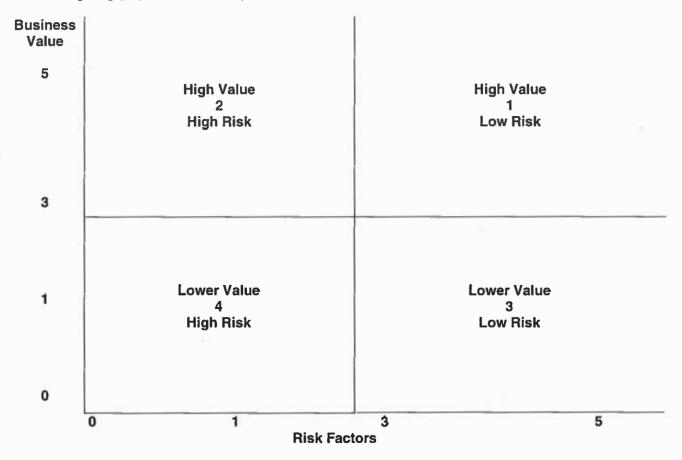
Business Value	Wt	0	1	3	5	Max Score
Business Case & Justification	6	None Provided	Minimal Information or Justification	Some level of detail but not clear or logical	Detailed, complete explanations with TCO, ROI, etc	30
External Requirement	5	None identified	Result of a change in another system	Federal or State Legislative Requirement	Required by litigation, Fine or Penalty	25
Efficiency Includes Cost Savings or Avoidance, Revenue, or Accountability	6	None identified	Negligible or minimal opportunity	Significant opportunity expected; not quantified	Quantified, significant opportunity	30
Executive Sponsorship	3	Bottom 10% organization priority	Lower 50% organization priority	Upper 50% organization priority	Top 10% organization priority	15
Service Improvement	5	Update to existing system with no Business Process Reengineering Analysis	Update to existing system through some Business Process Reengineering Analysis	Replace existing processes through Business Process Reengineering Analysis	Automate existing manual processes including BPR analysis and/or offer new online service(s) for citizen	25
Improved Quality of Life for Citizens	5	Does not relate	Indirectly Supports	Directly affects a small % of KY citizens	Directly affects a large % of KY citizens	25
Scoring Weight	30				Subtotal	150

Risk Factors	Wt	0	1	3	5	Max Score
Change in Total Cost of Ownership (from Business Case)	5	>200M	100M to 150M	25M to 50M	< 15M	25
System will Contain Data Classified as 'Sensitive' within EAS 4080	3	No determination of data content	No Explanation of how PID will be safeguarded	Partial Explanation of how PID will be safeguarded	Detailed Explanation of how PID will be safeguarded or no PID	15
Solution Definition	5	Solution must be developed 'from scratch'	Solution is readily available but must be customized > 50%	Solution is readily available with minor customization expected (<10%)	Solution is 'OTS' or 'Cloud' to be configured not customized	25
Implementation Timeline	4	Phases > 2 years or 'Big Bang'	Phases > 1 year but < 2 years	Phases < 1 year but > 6 months	Phases < 6 months	20
Level of Complexity	6	Extremely Difficult or completely dependent on Vendors	Difficult or most skill sets available internally	High or some skill sets available internally	Medium to Low or all skills sets available internally	30
Legacy System Replacement	7	Score of "Phase 1" on Risk Modernization Assessment	Score of "Phase 2" on Risk Modernization Assessment	Score of "Phase 3" on Risk Modernization Assessment	Score of "Phase 4" on Risk Modernization Assessment	35
Scoring Weight	30				Subtotal	150

Project Value Ranking

Project value ranking will be determined by relating the Business Value to the assessed Risk Factors of the proposed project. Division of the total score for each criterion by the total weighting (30) will derive axis placement.

Business Value

	High Value 2 High Risk	High Value 1 Low Risk
5		
3		
1	Lower Value 4 High Risk	Lower Value 3 Low Risk
0		

| 0 | 1 | 3 | 5 |

Risk Factors

High Value Projects:

Child Support System (KASES III), CHFS   **$58,000,000 GF, FF**
This project will upgrade and migrate KASES legacy mainframe processing to a web platform, incorporate new technologies, automate as many manual business processes as possible, and provide automated workflow and enforcement capabilities to child-support enforcement staff. (IT)
Agency Priority #2

DAIL System Modernization, CHFS   **$601,000 GF**
This project will upgrade and enhance this system for the Department for Aging & Independent Living supporting 700,000 vulnerable individuals across the Commonwealth. Currently the DAIL system has difficulties meeting the federal reporting requirements for a multitude of agencies in support of the Older Americans Act
Agency Priority #3

Online Permitting & Submittals (eForms), Energy & Environment Cabinet   **$856,000 GF**
The department will create electronic forms to collect permits, registrations, license application and compliance information for EEC. The project will make the permitting and compliance process business-friendly, improve security and reduce the time and costs associated with current manual processing of paper requests.
Agency Priority #2

Enterprise Document Mgmt., Commonwealth Office of Technology   **$8,000,000 GF**
Some agencies utilize a variety of outdated applications that are no longer supportable and can't be upgraded without large financial investments because of the changes in technology since these systems were procured. Agencies with no document management system continue to process paper forms manually and store them in file cabinets. These are not sustainable models for the state. Agencies with no document management solution will be able to perform similar processing to what they currently do manually with less cost and staff time. Agencies with an existing but outdated DM, when converted should be able to continue their business without failure but also be able to remain current with constantly changing technology so they never again have to give up on future functionality or upgrades because of an inability to afford a massive investment in a new application or infrastructure platform.
Agency Priority #2

Nurse Call System, Veteran's Affairs   **$1,550,000 GF**
This project will replace the failing nurse on-call system at three Veteran's Centers. This a serious health, safety and welfare issue that provides for patient safety to those that have served their community, the Commonwealth and their nation. The current system is failing as evidenced by recurring outages. Failure to comply with federal and state regulations for nursing home facilities could result in the need to mandate relocation of residents to other long-term care facilities, disrupting the lives of affected veterans.
Agency Priority #2

Emergency Radio System Replacement, Justice and Public Safety Cabinet $141,500,000 GF
This project would replace the existing statewide emergency radio communications network that provides day-to-day and emergency communications between KSP dispatch and officers in the field. Other agencies utilizing the network includes Commercial Vehicle Enforcement, Fish & Wildlife, Attorney General's staff, Alcohol & Beverage Control enforcement staff and others. The current radio system and associated equipment is approximately 20 years old and many of the radios are deteriorating. Replacement parts for repairs are becoming more difficult to obtain, with eBay being the primary source.
Agency Priority #2

Records Digitization-KY Heritage Council, Tourism, Arts & Her. Cabinet   **$1,000,000 GF**
This agency will create a technology system to serve as an interactive portal for agencies, municipalities, private consultants, and others who use historic preservation programs. This project will include (1) an assessment of digital assets and infrastructure and projection of future needs;

(2) upgrade the current Geographical Information System; (3) integrate and install new software, hardware and network systems; and (4) build the necessary maintenance support structure for on-going operations.

Kentucky Heritage Council Priority #1

CIO Priority Projects

Inspection and Licensing Project, General Govt.-Agriculture   **$2,237,200 GF**

Agriculture's licensing and regulatory system is 20 yrs old and delivers slow, manual and inefficient services to the more than 20 statutorily-required programs. Continuous support is needed to work around newer technology rollouts that cannot be delayed without jeopardizing security. There are no paper processes to fall back on in lieu of a system failure that would result in a complete halt of licensing, enforcement and individual and business operations required by law.

Unemployment Insurance Business Case, Ed & Workforce Cabinet   **$10,440,000 GF**

This project would re-platform the existing Unemployment System, created in the 1970s, running on an outdated programming language into an easily supportable language. The risk to business and individual customers of current system failure is ever growing and the cost for maintaining it has become prohibitive in a time of decreased federal funds and diminishingly available staff skills.

Legacy System Retirement, Finance-COT   **$20,000,000 GF**

This project will allow the movement of historical data from replaced legacy computer applications to a modern, 'open' system in order to facilitate greater interoperability and diminish the costs for the former legacy application licensing and hardware costs by generating one dollar of ongoing annual savings for every one-time dollar spent from this fund.

Integrated Tax System, Finance-Revenue   **$92,500,000 GF**

45 of Revenue's 116 legacy IT applications are on unsupported technology and it has been difficult to find resources to maintain 33 of those. Virtually 100% of the general fund, road fund and local revenue goes through systems built on unsupported technology or outdated programming languages. A modern Integrated Tax system is critical to reduce risk and cost and to provide benefits to both the taxpayer and the employee.