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REPORT TO THE LEGISLATURE

ON PLACEMENT OF THE

INFORMATION POLICY OFFICE

FEBRUARY, 1988
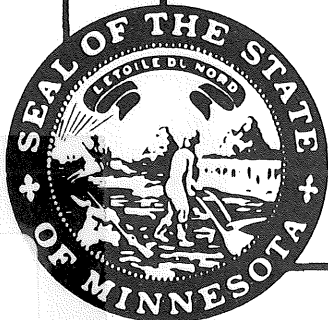
DEPARTMENT OF ADMINISTRATION

MANAGEMENT ANALYSIS DIVISION

Pursuant to 1987 Laws, ch 404,
Section 16, subd 3

STATE OF MINNESOTA
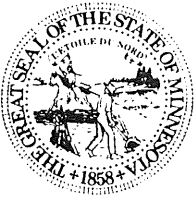
Department of Administration

February 16, 1988

The Honorable Rudy Perpich
Governor
130 State Capitol Building

Patrick E. Flahaven
Secretary of the Senate
231 State Capitol Building

Edward A. Burdick
Chief Clerk
House of Representatives
211 State Capitol Building

Dear Gentlemen:

Pursuant to Minnesota Laws of 1987, Chapter 404,
Section 16, Subdivision 3, the Management Analysis
Division of the Department of Administration has
studied the placement of the office of information
systems management within the executive branch. The
enclosed report represents the division's findings and
its recommendations to the legislature.

Sincerely,

Terry L. Bock
Director
Management Analysis Division

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The 1987 Minnesota Legislature created an office to "develop and establish a policy and standards for state agencies to follow for the development, purchase, and training for information systems." Legislation placed the office in the Department of Administration but directed the department to study the office's placement within the executive branch and make recommendations to the legislature.

This report identifies issues surrounding the placement of the office, discusses alternatives and provides recommendations.

The Information Policy Office coordinates all major information management activities in state government. In addition to the legislature and individual agencies, the groups which have a role in information management activities are the Information Management Bureau, the Information Policy Council, the Systems Advisory Council and the Information Policy Task Force.

In interviews with legislators and other state policymakers, five organizational alternatives in the executive branch were identified as possible locations for the Information Policy Office. They are: As a separate agency reporting directly to the governor, the Department of Administration, the Department of Finance, the State Planning Agency, or in a line agency.

Interviewees for this study expressed certain factors they considered most important in placement of the Information Policy Office. Evaluation of each of the alternatives indicates that no current placement option ideally meets all criteria identified by the study as important.

Of the available placement alternatives, the Department of Administration is the most viable location for the Information Policy Office. The issue of neutrality is the major drawback of placing the office in Administration. However, a structure is in place to provide the necessary checks and balances. The roles of the Information Policy Council and the Systems Advisory Council ensure that the office will be given sufficient independence to conduct objective analysis, develop statewide solutions, and balance conflicting needs among users.

Therefore, it is recommended that:

1.   The Information Policy Office remain in the Department of Administration;

2.   The office continue to report directly to the commissioner;

3.   The Information Policy Council continue as a management advisory body to the commissioner on information management issues; and,

4.   The Systems Advisory Council serve as a technical advisory body to the Information Policy Council and the Information Policy Office.

INTRODUCTION

The 1987 Minnesota Legislature created the Information Systems Management Office to "...develop and establish a policy and standards for state agencies to follow for the development, purchase, and training for information systems. The purpose of the office is to develop, promote, and coordinate a state technology, architecture, standards and guidelines, information needs analysis techniques, contracts for the purchase of equipment and services, and training of state agency personnel on these issues." (Minnesota Laws 1987, Chapter 404, Section 80).

Legislation states that the office shall function as a division of the Department of Administration. However, the legislature further directed that "the (administration) commissioner shall study the placement of the office of information systems management within the executive branch and make recommendations to the legislature." (Minnesota Laws 1987, Chapter 404, Section 16, Subd. 3)

This report identifies the issues surrounding the organizational placement of the Information Policy Office. It begins by providing background information regarding the establishment of the office and describing how similar functions are placed in other organizations. It then describes the current status of the office and the roles and relationships of those involved in the development of information policy. It identifies current placement alternatives, evaluates the advantages and disadvantages of each alternative, and recommends the most viable location for Minnesota's information policy office.

METHODOLOGY

This study, conducted by the Management Analysis Division of the Department of Administration, included the review of the enabling legislation and other pertinent statutes, the 1984 "Report of the Governor's Blue Ribbon Committee on Information Policies" and supporting committee documentation, various articles relating to information architecture and policies, mission statements of various state agencies, and the organizational structure and purpose statements of the Departments of Administration and Finance and the State Planning Agency. In addition, a series of meetings and interviews were conducted with persons associated with information and data systems in the public and private sectors. Collection of all information was made by a management analyst from the Department of Jobs and Training, on loan to the Management Analysis Division for this study. Persons and organizations providing information for this report include:

Authors of the legislation;

Commissioner of administration;

Deputy commissioner of finance;

Commissioner of the State Planning Agency;

Assistant commissioners for the Information Policy Office and the Information Management Bureau;

Members of the Governor's Blue Ribbon Committee on Information Policy;

Private-sector persons responsible for information systems in four major corporations;

Director of the National Association of State Information Systems;

Dean of the Information Resource Department, Syracuse University, New York;

Directors of the Policy or Information Management Offices of Kentucky, South Carolina, Tennessee, Washington and Wisconsin;

Members of the Information Policy Council;

Members of the Systems Advisory Council; and,

Chair of State Planning Agency/Department of Finance merger committee.

To avoid confusion with existing Information Management Bureau nomenclature, the commissioner of administration has renamed the Office of Information Systems Management to the Information Policy Office, the term which will be used exclusively in this report.

BACKGROUND

In 1984, Governor Rudy Perpich created a blue-ribbon committee to study Minnesota's information policies. The committee's primary interest was the special responsibilities and opportunities the executive branch had in providing leadership for the state's information systems. The committee's report recommended the following changes:

1. Establish a new policy and planning function within the Department of Administration, separate from and parallel to the current computer service entity, which would be responsible for defining and managing an information architecture for the state.

2. Assign responsibility for reviewing and approving state information policy, as developed by the new policy and planning function, to a strengthened User Advisory Council.

3. Delegate, within policy guidelines, the authority for information systems resource acquisition and allocation to agency management.

4. Appropriate meaningful funds for research and development in the application of information technology.

The Department of Administration, in order to implement the recommendations of the blue-ribbon committee, included 10 positions in its 1987-1988 biennial budget request for this activity. Its request proposed to develop a technology architecture, establish standards and guidelines, provide education and training, develop and support an enterprise analysis and provide technical expertise regarding the purchase of hardware and software.

At the same time, legislators began drafting legislation to address the recommendations of the 1984 Blue Ribbon Committee on Information Policies. Legislation resulted in the following responsibilities being assigned to the new office:

1. To establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies.

2. To assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and state's mission, requirements and functions.

3. Beginning July 1, 1988, to review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software.

4. Each biennium, to rank in order of priority agency requests
    for new appropriations for development or purchase of
    information systems equipment or software.

5. Beginning July 1989, to define, review and approve major
    purchases of information systems equipment.

6. To review the operation of information systems by state
    agencies and provide advice and assistance so that these
    systems are operated efficiently and continually meet the
    standards and guidelines established by the office.

PUBLIC SECTOR

Information policy offices are relatively new to most state and
local governments. The National Association of State
Information Systems and the Information Resource Department at
Syracuse University were able to identify four states that have
taken a lead in institutionalizing information policy.

The states that were identified are Kentucky, South Carolina,
Tennessee and Wisconsin. In addition, Washington has recently
created an independent state agency for information systems.
Directors of these states' information systems or policy offices
were interviewed regarding organization of their offices and how
it relates to their information systems.

Kentucky

The State of Kentucky has an Information Systems Commission
which deals with policy and architecture issues. This structure
allows the Information Services Department, part of the
Department of Finance, to focus on service.

The information systems function in Kentucky is highly
centralized. Kentucky has only one mainframe which all agencies
use. Some agencies, however, are acquiring mini-computers for
smaller processing needs.

South Carolina

Information systems and information policy functions were
separated in December 1986. Both offices are located under the
Budget and Control Board, which is divided into two divisions,
each headed by a deputy.

Information Resource Management (information systems) and Policy
and Technical Management (information policy) are in the same
division. However, Policy and Technical Management is a unit of
Research and Statistical Services, an office equal in stature to
Information Resource Management.

Tennessee

The policy function for information systems is the
responsibility of an Information Systems Council created by
executive order four years ago. It is responsible for reviewing
all state agency and university information system plans for
acquisition of hardware and software. Computer services are
provided by the Department of Finance and Administration.

Serving on the Information Systems Council are the commissioner
of finance and administration, the commissioner of general
administration and the state's comptroller. Attempts are being
made to expand this council by adding legislators and
representatives of both university systems and private
industry.

Washington

Washington Laws 1987 created the Department of Information Services. Its purpose is to "provide for coordinated planning and management of state information services." Intent of the legislation is that information be shared and administered in a coordinated manner. One of the department's responsibilities is to "maintain and fund a planning component separate from the services component of the department."

The legislation combines and restructures organizations that were formerly separate: the Data Processing Authority, General Administration's Telecommunication Division, and Data Processing Service Centers.

Prior to this reorganization, information service functions were not coordinated. Each function was independent of the others. Some agencies operated their own computer systems, and others used the services provided by a service center. In addition, some agencies operated data centers that provided limited services to other agencies.

The Data Processing Authority was originally a separate group similar to the Information Policy Office. It was an independent authority with no direct organizational ties to a state agency. It was responsible for formulating "a long-range state automated data processing plan to satisfy the requirements of the legislative, executive and judicial branches of state government." In the previous structure, it did not have a firm enough power base to effect changes.

Current legislation brings together all functions of information services for the first time.

Wisconsin

Information policy is set by the Department Of Administration's Bureau of Information and Telecommunications Management.

While most state agencies have their own data processing office, they must use one of three regional operation centers to process their data. These regional centers are located in Health and Human Services, Transportation and Industry, and Labor and Human Relations. Wisconsin does not operate a central service center.

The policy office is responsible for approving hardware and software purchases and the rates regional centers charge, as well as for developing information policy and an information architecture.

Two organizations provide input to the policy office. One is the Data Processing Directors Council. It is made up of all the state agency and university data processing managers. The other is the Administrative Officers Council. It is made up of state agency and university managers of administrative services. These groups review most of the draft policies before implementation.

PRIVATE SECTOR

The four private-sector corporations interviewed for this report are organized with a policy office in the same department as the central computer service operation, if one exists. They are usually structured as two separate units under one corporate officer.

The policy office is usually responsible for helping a profit center design a system architecture that best suits its needs, while making sure there is the desired connectivity between the profit center's system and the central system.

For the most part, profit center managers have the responsibility for making purchase decisions based on their budgets. Oftentimes, profit centers operate their own information service centers. Policy, on the other hand, usually emanates from a central location which may also operate a central system.

CURRENT SITUATION

In August 1987, the commissioner of administration appointed an assistant commissioner in charge of the newly-formed Information Policy Office. Since that time, three managers have been hired and eight general fund positions were transferred to the Information Policy Office from the Information Management Bureau. Two additional positions are in the process of being filled. It is anticipated that the office will eventually have a complement of 25.

The Information Policy Office is responsible for coordinating all major information management activities in state government. The three functional units within the office are:

- The Planning Section, which will design an architecture;

- The Implementation Section, which will be responsible for coordination with agencies; and

- The Compliance Section, which will be responsible for standards and guidelines, budget review, and coordination with the Department of Finance.

The office has recently defined its mission as follows:

"To cooperatively create an environment for managing information where all can participate in the development of a statewide vision."

ROLES AND RELATIONSHIPS

In addition to the legislature and individual agencies, the groups which have a role in information policy are the Information Management Bureau, Information Policy Council, Systems Advisory Council and the State Information Systems Advisory Task Force, now called the Information Policy Task Force. Their roles and relationship to the Information Policy Office are presented below.

Information Management Bureau

The Information Management Bureau was first formed in the 1960s when state government computer resources were merged into one division in the Department of Administration. The bureau provides centralized management of computer applications and facilities, and offers information services expertise. It operates the state's central computer facilities and data communications networks.

Prior to the creation of the Information Policy Office, the Information Management Bureau was responsible for both policy development and data-processing services. The blue-ribbon committee in 1984 found differences of opinion regarding the

role of the Information Management Bureau. The issues were: "service versus control and whether those functions should be separate, centralized control versus agency-driven needs, and management of decentralization."

With the creation of the Information Policy Office, the responsibilities of the Information Management Bureau consist solely of providing computing services. The control responsibilities which it previously had are now within the purview of the Information Policy Office.

In addition to its recent change in responsibilities, the Information Management Bureau, as of December 9, has had a change in leadership with the appointment of a new assistant commissioner. Consequently, the bureau will be revising its mission within the next two months.

Information Policy Council

The Information Policy Council has its roots in an advisory committee established in the mid-1970s. In 1978, this committee became the Users' Advisory Council, with membership consisting of deputy and assistant commissioner-level staff responsible for their agencies' data-processing activity. The council's 1979 charter states that the council "exists to advise the commissioner of administration of all matters pertaining to the commissioner's statutory responsibility for the 'integration and operation of the state's computer facilities.'

In 1984, the blue-ribbon committee recommended assigning "responsibility for reviewing and approving state information policy, as developed by the new policy and planning function, to a strengthened User Advisory Council." As a result of this recommendation, the User Advisory Council renamed itself the Information Policy Council and revised its mission as follows: "The mission of the Information Policy Council is to develop the information management direction for executive branch agencies in the State of Minnesota. Responsibilities for carrying out this mission include the initiation, review and approval of policy relating to information management." 1987 legislation requires the Information Policy Office to "define, review, and approve major purchases of information systems equipment to ensure that the equipment is consistent with the information management principles adopted by the information policy council."

Administration Commissioner Sandra Hale strengthened the perception of the Information Policy Council's role by referring to the council as the "board of directors" for the Information Policy Office.

Systems Advisory Council

The Systems Advisory Council was established on December 10, 1974, by the commissioner of administration to provide information and technical assistance to Users Advisory Council members regarding current issues and to conduct the information

systems-related activities required to provide a better understanding and coordinated effort between the Information Management Bureau and user agencies. The Systems Advisory Council is made up of data processing managers from all agencies. In most cases the members of the Systems Advisory Council work for their agencies' representatives on the Information Policy Council. According to the Users Advisory Council's 1979 charter, the Systems Advisory Council is "a technical resource reporting to the Users Advisory Council and will receive from the Users Advisory Council problems or issues for analysis and comment." The Systems Advisory Council is a technical group dealing with technical questions. Its role is to provide input from a technical manager's point of view. Its members must implement the policies established by the Information Policy Office. In addition to its advisory role, the Systems Advisory Council serves as a professional association and provides professional growth and development for the membership through lectures, seminars and other forms of information exchange.

Information Policy Task Force

1987 legislation created an advisory task force specifically to help develop and coordinate a state information architecture that is consistent with the information management direction developed by the Information Policy Council, and to make recommendations to the commissioner concerning the progress, direction and needs of the state's information systems. The task force expires in two years. Members of the task force are currently being determined. The task force must include representatives of state agencies, the supreme court, higher education systems, librarians and private industry. The task force must also have two members from the House of Representatives and two from the Senate.

PLACEMENT CRITERIA

Interviewed legislators, other state policy makers and experts in the private sector expressed certain factors they considered most important in placement of the Information Policy Office. Seven fundamental considerations emerged in their assessments of how to determine placement of any policymaking body with decision-making powers that affect all of state government.

1. The office must be given sufficient independence to conduct objective analysis, develop statewide solutions and balance conflicting needs among users.

2. The office must be visible to highlight the importance of its work.

3. If the office is located within an agency, its responsibilities should closely match the responsibilities and mission of its parent organization.

4. The person to whom the function reports must be committed to developing and maintaining the necessary architecture and policies and must give high priority to the office.

5. The scope of the policy function is broad, so a parent organization must have statewide management perspective and responsibilities.

6. The Information Policy Office requires a stable environment. Creating a statewide architecture is a long-term process and can be done only if the office is given adequate timeframes to accomplish its tasks. Instability will not allow a useful architecture to be developed.

7. The governor, legislature and users must perceive that the organization can effectively manage the responsibilities of the Information Policy Office.

Five organizational alternatives in the Minnesota Executive Branch were identified in interviews with legislators and other state policymakers as possible locations for the Information Policy Office. They are: As a separate agency reporting directly to the governor; the Department of Administration; the Department of Finance; the State Planning Agency; and a line agency such as the Departments of Transportation, Jobs and Training, or Trade and Economic Development. In the following section, the placement criteria outlined in the preceding section are applied to the five locations.

SEPARATE AGENCY REPORTING TO THE GOVERNOR

Advantages

Many individuals interviewed for this study believe that an office this important must be placed at the highest organizational level possible, because there is a need for the office to maintain a high profile and have a commitment from the highest level.

This alternative would make the Information Policy Office highly visible. Creating a separate agency would state, without question, that information is a priority of the governor. It would show a commitment to information policy and information's role as a state resource to be shared. It would give independent, objective, statewide authority and influence to the management of information policy. Its stability would depend on the governor's and legislature's concerns and priorities.

Disadvantages

There could be less top management attention, due to the heavy time demands on the governor.

With a director appointed by a governor, the Information Policy Office could be more vulnerable to frequent leadership changes, affecting the stability of the office. In addition, as a separate small agency, the Information Policy Office's vulnerability to budget reductions could be increased.

Another consideration regarding this alternative is the current governor's preference to streamline his span of supervision by merging similar agencies and functions. While the governor may support a strong organization to develop a statewide information architecture, adding another agency would not be consistent with recent reorganization activity.

DEPARTMENT OF ADMINISTRATION

The Department of Administration is the staff agency assigned to manage the internal operations of the executive branch of state government. It serves the governor and legislature by providing oversight and review of state agency management and administrative practices. Included in these responsibilities are those related to data processing systems. Examples are:

M.S. 16B.04, Subd. 2(3): " . . . the (administration) commissioner is authorized to: approve all computer plans and contracts and oversee the state's data processing system; . . . and

M.S. 16B.40, Subd. 3: "The (administration) commissioner shall establish and, as necessary, update and modify procedures to evaluate computer activities proposed by state agencies."

Advantages

The responsibilities of the Information Policy Office closely match the overall purpose of the Department of Administration. The department provides oversight and review of state agency management and administrative practices, professional, centralized services to other state agencies, and consultative services on effective, efficient and innovative management techniques. Since the function of the Information Policy Office is to provide statewide leadership in establishing information policies and architecture design, the organizational fit between the two entities is very high.

The responsibilities of the Information Policy Office are a priority of the department. The commissioner has shown strong interest and commitment to the responsibilities of the Information Policy Office by working toward implementing the recommendations of the blue-ribbon committee and by appointing the director of the office at an assistant commissioner level.

The Department of Administration also provides a central location and stable environment for the Information Policy Office. Since the department serves the operational needs of all state government and many local units of government in Minnesota, placement within the department provides the Information Policy Office with broad management perspective.

The Information Policy Council, consisting of state agencies' top management, supports placement of the Information Policy Office within the Department of Administration. This endorsement indicates that representatives from user agencies believe the department can effectively manage the responsibilities of the Information Policy Office. The council believes that: 1) the department clearly recognizes the importance of separating the policy function from the service function, 2) that conflict resolution takes place more easily within a department than between departments, and 3) that there is more accountability if both policy and service functions reside in the same department.

Since the Department of Administration has experience implementing policy and developing operational programs, placement within Administration gives the office contact with that expertise. The Information Policy Office must be responsive in assisting state agencies with planning and management of information systems, in reviewing and approving major purchases and agency requests for appropriations, and in providing advice and assistance so that agencies' systems are operated efficiently and meet standards and guidelines.

Disadvantages

Concerns regarding placement of the Information Policy Office within the Department of Administration center on the conflict of interest that exists when a policy-setting organization is placed with an organization that can benefit from the policies and decisions that are made. The same department not only reviews purchase requests but also provides services which might compete with the new purchase. The belief is that the Information Policy Office will promulgate policies and architecture skewed to the type of service provided by the Information Management Bureau. If this were the case, it is argued, the architecture and policies might not be in the best interest of the state.

Because the Information Management Bureau was unable in the past to both effectively develop information policy and provide computer services, there is an opinion that the Department of Administration may not be able to do so in the future.

DEPARTMENT OF FINANCE

The Department of Finance plans, analyzes and manages the budget, financial operations and debt of the state. It develops policy options to make state services effective and efficient for the public. The department forecasts revenues, controls expenditures according to state law, and prepares financial information for the governor, legislature and the public on the operation, financial condition and economic future of the state. It also assists state agencies in accomplishing their missions by providing financial services, consultation and information.

M.S. 16A.055 defines some of the department's duties as: receive and record all money paid into the state treasury until lawfully paid out; manage the state's financial affairs; keep the state's general account books; prescribe and manage a uniform state accounting system; and provide expertise to ensure all state funds are accounted for under generally accepted government accounting principles.

M.S.16A.06 requires agencies to comply with the finance commissioner's directives and requires the Department of Finance to prepare financial reports; evaluate and compare costs; require executive agencies to prepare objectives to measure its

performance; require agencies to report on estimated income; report on the state's financial affairs; and obtain from any executive agency any information needed to make financial policy.

Advantages

Placement of the Information Policy Office within the Department of Finance would provide the office with a stable environment within an agency that has statewide perspective and responsibilities.

The Information Policy Office's responsibility of reviewing and approving all agency requests for legislative appropriations for the development or purchase of information systems equipment or software corresponds to the department's duties of managing the state's budget.

Disadvantages

The Department of Finance's focus on managing the state's financial resources does not encompass management of the state's information resources. Consequently, the responsibilities of the Information Policy Office do not fit the mission of the department.

Secondly, the Department of Finance is one of the state's major users of data and information systems and to that extent may not be neutral on information policy.

Many interviewees for this study believe that placement of the Information Policy Office within the Department of Finance would constrain the development of a comprehensive architecture. Since the department is responsible for preparing the state's budget within specific parameters, there is concern that fiscal considerations might outweigh other considerations.

STATE PLANNING AGENCY

M.S. 116K.01 recognizes "it is in the public interest that a department be created in the executive branch of the state government to engage in a program of comprehensive statewide planning."

State Planning's mission is to coordinate the policy analysis and policy development processes for the executive branch of state government. The agency identifies and analyzes key policy issues, and makes recommendations for planning and the governor's legislative program. The agency is comprised of the Environmental Division, the Planning Information Center, which primarily provides environmental information to land-managing agencies and others, the State Demographer's Office, the Human Services Division, and the Public Investment Division, which includes Telecommunications Policy Planning. Telecommunications Policy Planning is involved in three areas: telecommunications

regulation, telecommunications as an economic development tool, and the promotion of projects which would enhance the state's ability to provide services to Minnesotans through advanced telecommunications technologies. The agency regularly publishes information on selected public policy issues. Included among the regular agency publications are "Future Scans," "Trend Reports," "Issue Briefs" and "Population Notes."

Advantages

Placing the Information Policy Office in the State Planning Agency is a viable alternative because the agency is responsible for coordinating the policy analysis and policy development processes for the executive branch of state government.

Additionally, placement within State Planning would provide the office with an environment that is independent from outside influence or control. The office would have a central location and reside within an agency having statewide management perspective.

Disadvantages

As part of the State Planning Agency, the Information Policy Office would be introducing a new dimension to the agency's mission. The purpose of the Information Policy Office is to "develop and establish a policy and standards for state agencies to follow for the development, purchase, and training for information systems." Although this purpose requires a long-range, strategic view of the state's information management needs, the responsibilities of the office have a distinctly operational focus. The State Planning Agency essentially addresses public policy issues. Setting standards, reviewing and approving major purchases of information systems equipment and reviewing the operation of information systems by state agencies are not similar to activities the Planning Agency currently does or envisions itself doing in the future.

State Planning is a user of data. It draws data from agencies to use for policy analysis. State Planning will benefit from policies and architecture developed by the Information Policy Office. The standardization of data element definitions and a comprehensive statewide architecture will allow State Planning to merge similar data from different agencies to arrive at information not available before.

The State Planning Agency has undergone many organizational changes. It was recreated as an independent executive branch agency by the 1983 Legislature. Currently, there is discussion regarding merging the State Planning Agency and the Department of Finance. Placing a newly-created function, that has not yet established itself, in an uncertain environment is less than ideal, since the efforts of the organization's leaders will be directed toward issues surrounding the merger.

Additionally, the advantages and disadvantages previously stated for placing the office in the Department of Finance would also be valid for the combined agency. Interviews indicate that much of the identified support for placing the Information Policy Office in State Planning disappears if there is a combined agency.

LINE AGENCY

Line agencies collect most of the data used by state government. The programs these agencies operate are the reasons the need exists for a comprehensive statewide information architecture. Information collected from one program can sometimes be used in planning for another. In general, sharing of information can improve the planning and operations capabilities of the programs and agencies involved.

Advantages

Closeness to the customer, the need for client information, and the desire to provide better services to clients give a line agency the motivation to develop an architecture that supports its needs.

In addition, placement of the Information Policy Office within a line agency would, for the most part, provide a stable environment.

Disadvantages

Line agencies use massive information systems to gather and process data for their work. However, no line agency's mission includes providing information support activities to other agencies. As a result, their knowledge or expertise to do so is limited. While a line agency would consider the needs it has for information policies and architecture, there should be a vehicle that assures input from and consideration of other agencies' needs.

A line agency will not have most of the criteria needed to ensure success for the Information Policy Office. None of the line agencies have the centralized management authority needed to gain statewide acceptance. While some may have a statewide influence, none have a statewide influence in data processing.

While the presence of client service might help the Information Policy Office generate reasonable policies and architecture, the responsibilities of the office would be of lesser priority than current parent agency management priorities.

The input line agencies provide is important to the development of a statewide architecture. Also, the support these agencies give to any architecture is necessary for it to succeed. The use of the Information Policy Council and Systems Advisory Council will guarantee that this input is provided and the agencies will buy into the architecture.

CONCLUSIONS

o   Legislation creating the Information Policy Office has, in effect, separated the information policy function from the computer services function. Creation of the office is a commitment of resources to planning the state's information systems growth, flexibility and connectivity.

o   The Information Policy Office's mandate is to provide the overall picture regarding the state's information resources. To accomplish this, it must bring the various components of the information systems picture together to solve problems.

o   The Information Policy Office is a new unit superimposed on an old structure and has been given some of the power that formerly resided in IMB and other agencies. It is responsible for integrating the activities of organizational units whose major goals are not necessarily consistent with the goals of the overall system.

o   Because the office must manage the decision-making process regarding information resources, it must have the ability to stand between conflicting groups and gain the acceptance of both without being absorbed into either. The responsibilities of the Information Policy Office make it imperative that the office remain neutral.

o   Roles and relationships of interested and affected parties are currently being defined. Substantial changes have been made recently, and there has not been a complete budget cycle in which to test the process or evaluate outcomes.

o   It is clear that the office is responsible for policy formulation and must coordinate the needs of the various agencies through the Information Policy Council. The Information Management Bureau and members of the Systems Advisory Council are responsible for technologically carrying out the policies.

o   In evaluating feasible placement options, there is currently no placement alternative that ideally meets all criteria. However, as a support function whose operations will affect almost every state agency's programs, the office belongs in a staff agency where it will be protected by the stability of its larger parent.

o   The State Planning Agency, as a user of information systems, should be involved in developing information management policies. However, housing the office with its current responsibilities does not fit with the overall mission and purpose of State Planning as it is now being carried out. The State Planning Agency identifies and analyzes broad issues relating to public policy. It is not responsible for implementation of policy. Duties of the

Information Policy Office, as spelled out in the
legislation, focus on the development of management
policies within state government and the operational
implementation of these policies in state agencies.

o   As part of the Department of Finance, the Information
    Policy Office would, at best, have a tangential
    relationship with its home agency, given the department's
    focus on managing the state's financial resources.

o   The Department of Administration is the single state agency
    already operating from a statewide service framework
    handling information systems-related functions. Of the
    available placement alternatives, it is the most viable
    location for the Information Policy Office. The Department
    of Administration has the experience, knowledge,
    organization, responsibility, mission and authority to
    operate the Information Policy Office.

o   It is an established staff agency with experience providing
    management assistance to state agencies, with the stability
    of a long-term service provider to its clients, and the
    responsibility for several other functions closely related
    to the mission of the Information Policy Office. The
    nature of its business requires it to take a statewide
    viewpoint, to coordinate the efforts of all agencies, and
    to act in the best interests of the entire state government
    system.

o   A structure is currently in place to deal with the issue of
    neutrality and to provide necessary checks and balances.
    The Information Policy Council's role ensures that the
    Information Management Bureau or any other organization
    alone has minimum impact on Information Policy Office
    decisions. The council will provide oversight of the
    Information Policy Office's objectivity from the
    agency-specific perspectives of its members. Its role
    ensures that the office will have to develop policies that
    are beneficial to the state as a whole. Even the
    perception of undue influence can be checked, as conflict
    of interest problems will quickly be brought to the
    attention of the legislature and governor due to the
    high-level positions of its membership.

o   The Systems Advisory Council will provide another effective
    check on the fairness and appropriateness of the new
    architecture, and will temper the potential for undue
    influence from any one user agency while representing all
    user agencies equally.

o   Two functions with related goals but different perspectives
    can complement each other in the long term. With neutral
    arbiters such as the two advisory councils, conflicts
    should serve the healthy function of providing all
    viewpoints before decisions are made.

RECOMMENDATIONS

Four recommendations are presented as a result of this study:

1. That the legislature retain the statute as it is written, keeping the Information Policy Office in the Department of Administration.

2. That the commissioner of administration continue to organize the Information Policy Office so that it reports directly to the commissioner.

3. That the commissioner of administration continue to designate the Information Policy Council as a management advisory body to the commissioner.

4. That the commissioner of administration designate the Systems Advisory Council as the technical advisory body to the Information Policy Council and the Information Policy Office.