# MEMORANDUM

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| **To:** | Joint Legislative Committee on Information Management and Technology |
| **From:** | Sean McSpaden, Principal Legislative IT Analyst |
| | Matt Stayner, Principal Legislative Analyst |
| **Date:** | January 31, 2020 |
| **Subject:** | DSL - Information Technology Assessment - Budget Note Report |
| | LFO Analysis and Recommendations |

**Agency Request:** During the 2019 session, the Legislature adopted and attached a budget note to the Oregon Department State Lands (DSL) budget bill - HB 5035 (Chapter 454, Oregon Laws 2019). The budget note directed DSL to work with the Office of the State Chief Information Officer (OSCIO) to conduct a comprehensive assessment of the agency's information technology related operations. The assessment was to include, but not be limited to, an evaluation of the following: IT organizational structure, policies and practices, management and staffing, funding and expenditures, and governance; inventory of current systems, hardware, software, data resources, and applications; business drivers and organizational mandates for information technology and data management; operational and technical requirements for DSL's information technology infrastructure (network, servers, storage), applications, and data; current operational and technical deficiencies and gaps; and recommended changes or enhancements to IT management, staffing, operations, funding, policies, and practices.

A report on this comprehensive assessment was submitted as required to the Legislative Fiscal Office (LFO) and DSL and OSCIO are scheduled to jointly present the assessment to the Joint Legislative Committee on Information Management and Technology (JLCIMT) and to the Joint Committee on Ways and Means during the 2020 legislative session.

The agency and OSCIO requests that the JLCIMT acknowledge receipt of the report.

## A.   LFO Analysis

The 2019-21 biennial budget for DSL totals $67,002,306 and 115 positions (113.00 FTE). For context, DSL and OSCIO report that DSL's IT expenditures for the 2017-19 biennium were approximately $3.7 million.

The DSL IT team is comprised of seven (7) technical staff and one (1) IT Manager.  The DSL IT team manages its own small data center at its headquarters and provides support for all desktops, servers, networking, backups, and firewall network security utilized by the agency. DSL supports seven (7) sites in three (3) primary locations in Oregon; Salem, Bend and Charleston with connections to state networking at Salem and Bend. Charleston is connected via network services provided by the Oregon State University. Additionally, at each location, there are physical file servers and print servers.  DSL also provides support to the Land Use Board of Appeals (LUBA) and to the Oregon Watershed Enhancement Board (OWEB).  For LUBA, DSL provides support for eight PC's, email, file, print and

applications. For OWEB, DSL provides internet access to Oregon Watershed Enhancement Board (OWEB) using a separate interface for OWEB on DSLs agency firewall.

The DSL IT team supports most of the agency's commercial off the shelf systems (COTS) utilized by DSL staff. The agency does not support software development except for some customizations and integrations to existing web applications. DSL and OSCIO indicate there are approximately 85 currently known applications supported by the DSL IT Team.

DSL has six systems that support the core business processes for the agency and several of these are also utilized by other state agencies:

1. The Land Administration System and CASH accounting/billing are two of the core applications that were developed in 1999. The two systems are highly integrated to support the day to day business process for permits and leases issued by the Real Property Program and the Aquatic Resource Management Program. **Note:** DSL has initiated a project, currently in the planning phase, to replace these systems. DSL's early estimates indicate the project could be completed in 3-4 years at a cost of ~$3.5 M. DSL was directed to report status to the legislature on this project within a separate 2019 budget note.
2. Laserfiche document management has been used by DSL over several years and is highly integrated into the day to day business processes. The system allows DSL to store all documents in digital form for ease of storage and retrieval. The system is highly integrated with the Land Administration and Unclaimed Property systems.
3. The State Land Inventory System (SLIS) was developed in 2010 for managing information about real property that is owned by the State of Oregon and administered by its various agencies. The system is maintained by DSL in cooperation with the Department of Administrative Services (DAS) and the 16 land-owning agencies. The system leverages ESRI Geographic Information System (GIS) software for mapping all properties and mineral rights. There are several disparate systems in use between DSL, DAS and land-owning agencies to manage state property.
4. KAPS Unclaimed Properties System was implemented in September 2019 following an information security incident affecting the older legacy system in the fall of 2018. This system allows claimants to request payments of unclaimed property via the internet. The system has over four million names and properties valued at more than $600 million combined, returning approximately $35 million to owners a year. During the 2019 session, Senate Bill 454 (Chapter 678, 2019 Laws) called for the transfer of this system to the Oregon State Treasury. The Legislature has asked DSL and Treasury to develop a plan and budget request for the transfer to be considered during the 2021 session.
5. ESRI ArcGIS Geographic Information System (GIS) - DSL utilizes GIS for day to day business processes and analytics.
6. South Slough National Estuarine Research Reserve (SSNERR) Applications requires 27 different scientific and technology applications to support DSL data collection and research needs.

The DSL IT assessment conducted by OSCIO identified a variety of issues, concerns, and gaps that require near, medium, and long-term resolution related to:

- DSL's management of its own data center (computer room), network, and storage services
- IT governance, information security, IT infrastructure and connectivity, business continuity planning, back up and disaster recovery, policies, practices, management and staffing, procurement, funding, and expenditures.
- Asset Inventory, lifecycle management, data management, and configuration management

- Aging operating system, database and server software requiring upgrade/extended support
- DSL provision of IT support to LUBA and OWEB; need to transition support to DAS and OSCIO
- Replacement and modernization of the Land Administration System.
- Migration of the Unclaimed Property System from DSL to Oregon State Treasury
- DSL, DAS and land-owning agency systems for managing state owned land/property
- Replacement/modernization of the 27 South Slough National Estuarine Research Reserve (SSNERR) Applications that require updating
- DSL's lack of vital staff resources - Database Administrator (DBA), business analyst, project manager, etc.

Within the report, OSCIO recommends (among other things) that DSL:
1) Utilize OSCIO provided or endorsed data center, cyber security, and cloud services
2) Migrate to OSCIO provided Enterprise Email and Office 365 cloud services systems
3) Replace DSL's current IT service desk application - new application with more functionality and management capability
4) Develop IT security, asset inventory, and lifecycle management plans, policies and procedures
5) Implement an asset inventory and management system to assure accurate inventory and management of DSL's IT assets
6) Work with OSCIO to ensure DSL is following best practices for project management and business analysis on DSL IT projects
7) Discontinue provision and support transition of IT support for LUBA/OWEB to DAS/OSCIO
8) Work with DAS and the 16 land-owning agencies to review the current systems in use and develop a system modernization plan for managing state owned property
9) Develop plans to utilize OSCIO and/or cloud solutions for Back-Up services
10) Develop and test DSL's IT security incident response plan and disaster recovery plan
11) Develop an operational plan that outlines IT resource capacity, capability, expertise with needed development/training plans to support IT operations and strategic initiatives.

DSL and OSCIO staff are currently in the process of jointly developing a tactical IT implementation plan designed to address and mitigate the highest priority issues found during the assessment.

### B. LFO Recommendations

The Legislative Fiscal Office (LFO) recommends that the Joint Legislative Committee on Information Management and Technology (JLCIMT) acknowledge receipt of the report. Further, LFO recommends that DSL:
- Continue to work closely with and regularly provide progress status reports to OSCIO and LFO on development and execution of the tactical IT implementation plan.
- Partner with OSCIO to jointly develop and present the DSL tactical IT implementation plan to the JLCIMT prior to the start of the 2021 legislative session.
- Include the final plan and supporting budget request within the agency's 2021-23 biennial budget request to the Legislature.

- Motion on the LFO recommendations

### A. Final IT Subcommittee Action
Transmit the JLCIMT recommendations to the Natural Resources Subcommittee of the Joint Committee on Ways and Means.