

Information Technology Capital Plan

Department IT Capital Plan

Department of Financial Institution

Information Technology Capital Plan, Plan Year 2009-10 through 2013-14 Executive Approval Transmittal



Department Name

APPROVAL SIGNATURES

I am submitting the attached Information Technology Capital Plan as required by the State Administrative Manual Section 4904.

I certify that the IT Capital Plan was prepared in accordance with State Information Management Manual section 57 and that the proposed IT projects are consistent with our business strategies and information technology strategy.

I have reviewed and agree with the information in the attached Information Technology Capital Plan.

Chief Information Officer		Date Signed
Printed name:		
Information Security Officer		Date Signed
Printed name:		
Budget Officer		Date Signed
Printed name:		
Department Director		Date Signed
Printed name:		

DEPARTMENT IT CAPITAL PLAN

Department Name and Org Code:

Department of Financial Institutions 2150

Plan Year:

2009-10 through 2013-14

1. Summarize your organization's business goals and objectives below:

The Department of Financial Institution's ("Department") Strategic Plan for 2008-2012 seeks to promote the financial strength, integrity and stability of our licensees, thereby accomplishing its mission. The integrity and stability of California's financial services system can provide a backdrop for economic development and improvement in the California business climate, thereby fostering economic prosperity and helping to address the current financial issues facing California. The Department continues to support a pace-setting financial services, legal and regulatory structure that provides for innovative financial products and services for Californians.

The Department's Strategic Plan embraces Governor Schwarzenegger's efforts to change the way State government operates, including streamlining government, improving performance, measuring outputs, and evaluating outcomes. The Department is committed to efficient and effective operations, a culture of accountability, performance based management, and alignment of performance measures with broad strategic goals. The plan was developed through substantive efforts including staff conferences and surveys, licensees' feedback, and recognition of emerging issues in a dynamic environment.

Without skilled and knowledgeable staff, the Department could not achieve its desired mission or vision.

Mission

The mission of the Department of Financial Institutions (Department) is to protect and serve California's citizens through the effective regulation and supervision of financial institutions licensed by the Department.

Goal 1.1

Enhance risk-based examination programs to ensure Departmental resources are deployed effectively based on the condition of our licensees in the current economic and financial environment.

Goal 1.2

Implement a consistent system of post-examination follow-up for corrective action, standards for the imposition of formal and informal enforcement actions, and exception and escalation processes within and across our programs for which an internal report will be provided.

Goal 1.3

Implement Electronic Banking Program to enable the Department to provide oversight and supervision of the electronic processes used in Banking and Credit Union operations to ensure the integrity and confidentiality of their data. A pilot program will be launched.

Goal 1.4

Recruit and train staff for the Credit Union and Money Transmitter programs to address increased risk and workload resulting from subprime activity, member business loans and money transmission volumes.

Goal 1.5

Complete Phase 2 of a systematic legislative effort to combine all California Financial Code provisions applicable to the Department's licensees into one division called the Financial Institution Law that minimizes regulatory burdens and provides consistent oversight for all licensees.

Goal 2.1

Establish and implement a multi-disciplinary approach for workforce achievement and succession planning to develop the future leaders and staff of the Department.

Goal 2.2

Implement the Department's retention strategy by providing a pay differential for financial institution examiner classifications based on examiners' ability to obtain and maintain professional certifications.

Goal 3.1

Promote the Bank on California initiative to help unbanked Californians open starter bank and credit union accounts and improve their financial literacy.

Goal 3.2

Continue to promote financial literacy and home preservation through education outreach efforts and partnerships with financial institutions, government entities, and community-based organizations.

Goal 4.1

Develop and implement a risk-based assessment methodology to apply in situations requiring extraordinary supervision by the Department. This tool promotes equitable cost-sharing amongst the licensees.

Goal 4.2

Continue comprehensive effort to reduce costs and prudently manage expenses throughout the Department. This goal is aligned with the Governor's Office's initiative that seeks 1.5% savings across the board including special-funded departments.

Goal 5.1

Create systems that enhance inter-departmental communications and share best practices to better address the needs of licensees under current economic conditions.

Goal 5.2

Implement a financial reporting system in the Money Transmitter Program to enable DFI to better monitor industry performance, improve our early warning system for troubled licensees, and disseminate consolidated industry information back to our licensees.

2. What are your organization's plans to upgrade or replace your IT infrastructure for the following? When responding, please indicate the timeframes of your intended upgrade or replacement efforts.

2.1. Hardware

The department uses a 3-year replacement cycle for replacing hardware, replacing one third each year. This includes desktops and laptops. Servers are generally on a five year replacement schedule. Switches and routers are replaced when new technologies require that they be replaced in order to use a new technology such as Cat6 cabling or vLans.

2.2. Software

As upgrades are released from vendors, DFI brings to the DFI Information Technology Steering Committee the proposition to examine readiness and value. It is proposed that the Office XP Professional software package be replaced with Office 2007 Professional and the Windows XP OS be replaced with Vista, during the 1st half of 2009 to meet end of life expectations from Microsoft.

Timeframe: Next 1-4 years: remove data from one dozen Access databases and place similar data in SQL.Net platform

2.3. Network

The department plans to upgrade switches in the Los Angeles Office to support Cat 6 cabling during the 4th quarter 2008 or 1st quarter 2009 dependent upon the remodel schedule for that Office. Relocation of our San Francisco Office on December 5, 2008, will require that the T1 point to point lines in our existing SF office connecting our Los Angeles, Sacramento and San Diego Offices be removed. They will be replaced with Opt-e-man data lines to DTS's backbone with secure tunnels back to each of DFI's offices.

3. Existing Approved Reportable IT Projects

Provide the following information regarding your existing approved reportable IT projects on Table 1 on the following page:

- Existing IT Project;
- Approved Project Cost;
- Project Number; and
- Implementation Date

DFI does not have any reportable IT projects at this time.

4. Proposed IT Projects

After each proposed IT project has been documented by answering questions 4.1 through 4.15 of the attached IT Project Proposal Form, provide the following information on Table 2 on the following page:

- The name of each proposed IT project;

- **The priority ranking;**
- **The FSR submission date; and**
- **The estimated cost**

DFI is in the process of prioritizing IT projects proposed for the next 12 months. Currently none of the projects identified to date meets the definition of a reportable project as defined in the State Administrative Manual Section 4819.37.

Table 1-Existing Approved Reportable IT Projects Summary by Department

Existing IT Project	Approved Project Cost*	Project Number	Implementation Date
No reportable projects.			

***Note:** If a Special Project Report (SPR) was submitted for review in July 2008 that includes project costs that differ from the last approved project document, enter both the last approved project cost and the revised project cost from the SPR under review.

Table 2-Proposed IT Project Summary

Proposed IT Project	Priority Ranking	FSR Submission Date	Estimated Total Cost
No proposed IT projects that meet the definition of a reportable project as defined in the State Administrative Manual Section 4819.37.			

PROPOSED IT PROJECTS

Complete this IT Project Proposal Form (questions 4.1 through 4.15 below) for each proposed IT project that meets the definition of a reportable project as defined in the State Administrative Manual Section 4819.37:

DFI has no proposed IT projects that meet the definition of a reportable project as defined in the State Administrative Manual Section 4819.37.

- 4.1. Proposal name and priority ranking:**
- 4.2. Description of the proposed IT project:**
- 4.3. Which of your department's business goals and objectives does this project support, and how?**
- 4.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?**
- 4.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:**
- Supporting and enhancing services for Californians and businesses
 - Enhancing information and IT security
 - Reducing state operational costs (leveraging, consolidation, new technology, etc.)
 - Improving the reliability and performance of IT infrastructure
 - Enhancing human capital management
 - Supporting state and agency priorities and business direction
- 4.6. Is the proposal consistent with your organization's Enterprise Architecture?**
- Yes
 - No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
- No

4.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

4.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

4.10. What is the duration of the proposed project?

4.11. Will the proposed project utilize the existing infrastructure?

- Yes
- No

If no, please explain.

4.12. Is the proposal related to another proposal or to an existing project?

- Yes
- No

If yes, describe the related proposal or project and how it is related:

4.13. Describe the consequences of not doing this proposed project at the planned timeframe:

4.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed
- Redirection of existing funds
- Other (describe):

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund*						
Total						

* Note: Identify the fund source and if the department is the sole user of the fund.

Enterprise Architecture

A.1. Does your organization have documented Enterprise Architecture principles, strategies, or standards to guide decisions on technology projects?

- Yes
- No

Although DFI currently does not have the resources or expertise to develop a formal comprehensive Enterprise Architecture program, the department has a current Agency Information Management Strategy designed and planned to support the business operations, and will be addressing transitional processes necessary for implementing new technologies in response to changing business needs. An “x” in the Planned or Planning in Progress: column in the table below indicates that discussions and research in the specific component reference model are in progress; however, scope, schedule, and costs have not been determined or established, nor has the project been proposed.

A.2. Indicate on Table A-1 below, the completion status of the component Reference Models of your formal Enterprise Architecture efforts. If available, please submit a copy of your Enterprise Architecture document.

Table A-1, Enterprise Architecture Completion Status

Component Reference Model	Status			
	Implemented	Implementation in Progress	Planned or Planning in Progress	Not Implemented and Not Planned
Business			X	
Service				X
Technical			X	
Data				X

A.3. Describe the governance structure your organization uses to review and approve the Enterprise Architecture and any subsequent changes.

DFI does not have a formal governance structure for Enterprise Architecture.

A.4. Does your organization have an Enterprise Architect? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
- No

Name: _____

Classification: _____

Telephone Number: _____ **E-Mail:** _____

Information Security

B.1. How is your Information Security Officer involved in proposed project development efforts?

By way of membership on the Information Technology Steering Committee.

B.2. What are your department's core business principles, policies and standards related to information integrity, confidentiality, and availability and the protection of information assets?

Compliance with State Administrative Manual Section 5300 and, as appropriate, alignment with ISO 27002.

B.3. If data within your department is shared with external entities, does your department implement data exchange agreements with these entities?

- Yes
- No

If no, please explain.

- Not applicable

B.4. How does your department ensure that software developers and programmers follow standards and best practices for Web, application, and system development?

The organization hires experienced software developers and programmers, requires regular training, and outsources certain code validation to third party contractors.

B.5. Does your organization have an Information Security Officer? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
- No

Name: Samantha Thomas

Classification: DPM II

Telephone Number: (916) 327-8248 **E-Mail:** sthomas at dfi.ca.gov

Workforce Development, Workforce Planning and Succession Planning

C.1. Does your organization have a workforce development plan for IT staff?

- Yes
- No

If yes, briefly describe it. The IT organization reviewed the department Strategic Plan to determine any workforce implications related to the Strategic Plan, identified IT work functions and staff requirements, compared current talent to future talent needs, and identified staff competency gaps.

C.2. Check the appropriate box(es) to identify which workforce development tools, if any, your organization is using for IT classifications:

- Training
- Upward Mobility
- Mentoring
- Career Assessments
- Knowledge transfer program
- Performance Evaluations
- Other (please list)

C.3. Does your organization have a workforce plan for IT staff (i.e., for Rank and File)?

- Yes
- No [Additional staffing needs have been identified however specific remedies have not been fully developed or approved.]

If yes, briefly describe it.

C.4. Does your organization have a succession plan for IT staff (i.e., for Management)?

- Yes
- No

If yes, briefly describe it.

C.5. IT Staffing

Provide the following information in table C-1 on the following page:

- The name of each IT classification currently in the organization.
- The number of staff in each IT classification in the organization.
- The number of staff in each IT classification eligible to retire in the next five years.
- The percentage of each IT classification eligible to retire in the next five years.

Table C-1 — IT Staffing

IT Rank and File Staff Classification	Number of IT Rank and File Staff in Classification	Number of IT Rank and File Staff in Classification Eligible to Retire in Next 5 Years	IT Management Staff Classification	Number of IT Management Staff in Classification	Number of IT Management Staff in Classification Eligible to Retire in Next 5 Years
Staff Programmer	1	0	DPM II	2	1
Assoc. Programmer	1	0			
Sr. Programmer	1	0			
Senior Information Systems Analyst	1	0			
Staff Information Systems Analyst	3	1			
Associate Information Systems Analyst	2	0			
Information Systems Specialist I	1	0			

Project Management, Portfolio Management and IT Governance

D.1. Does your organization have a process for improving the alignment of business and technology?

- Yes
 No

If yes, briefly describe it.

The Special Assistant to the Office of the Commissioner works closely with the business program deputies, the IT Steering Committee and the IT organization to align strategic business goals and objectives with IT initiatives and project portfolio.

D.2. What is the status of implementing a formal portfolio management methodology for technology projects within your organization?

- Implemented (Please describe)
- Implementation in progress (Please describe)
- Planned or planning in progress [See D.1]
- Not implemented and not planned

D.3. List any automated tools being used for portfolio management. Enter "None" if no automated tools are being used.

None

D.4. What is the status of implementing a standard project management methodology for technology projects in your organization?

- Implemented (Please describe)
- Implementation in progress (Please describe)

PMBOK project management tools and methodology have been communicated to all staff and is available on the department's intranet site.

- Planned or planning in progress
 Not implemented and not planned

Project Management, Portfolio Management and IT Governance

D.5. Does the organization require its project managers to be certified, either through a professional organization (e.g., PMI, ITIL) and/or through completion of specified project management coursework:

- Yes
 - PMI
 - ITIL
 - Agency-specified project management coursework (identify below)
- No

D.6. Select from the list other areas of training your organization requires of its project managers:

- Fundamental Project Management
- Systems Development Life Cycle
- Scheduling tool (identify below)
 -
 -
 -
- Project Performance Management (e.g., Earned Value Management)
- Business Process Analysis
- Requirements Traceability
- Procurement/Contracts Management
- Other (identify below)
 -
 -
 -
- None

D.7. Describe project-level governance practices, including change management, issue resolution, and problem escalation.

Not formalized.

D.8. Does the project management methodology include processes for documenting lessons-learned and applying these to future projects?

- Yes (Please describe)

Post phase and/or project retrospectives are conducted as appropriate, lessons-learned are documented, and process may be modified and/or formalized accordingly.

- No