

May 21, 2008

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## State data systems get some glue

*Today, a rudder for troubled computers*

By Ann Imse

Mike Locatis' job as Colorado's chief information officer is about to change dramatically, when the 1,200 people running the state's computer systems start reporting to him.

Under a bill to be signed today, Locatis gains control over this staff and a \$265 million budget now scattered among 20 departments. But he also is expected to solve some of the state's biggest headaches: multimillion-dollar computer systems that don't work.

### Among his challenges:

- \* The \$223 million Colorado Benefits Management System computer system, which is still fouling up aid for the poor after four years on the job.
- \* The Department of Transportation's year-old computer system, which 60 percent of employees want fixed or scrapped. "A disaster," one worker said of the \$38 million system.
- \* Combining 20 phone systems, 39 data centers and 20 e-mail systems in hopes of saving millions in computer licensing, training and staff support.

Locatis has already shut down two computer projects that were being built for vehicle licensing and vocational rehabilitation. The state has lost \$200 million to \$300 million on failed or troubled computer systems.

Locatis said that in the past, state officials set programmers to work without detailed instructions on just what the new systems were supposed to do. The wrong contractors were chosen, or they were given the wrong tasks, Locatis said. Contracts were too loosely written.

He says that's changed.

The rest of his first 16 months on the job has been spent writing a 248-page consolidation plan, drafting a law to back it up, and persuading lawmakers to approve it.

But some people say he could have done more.

### Fast fix elusive

Don McCubbrey, a University of Denver professor, uses the CBMS mess as a case study of how not to replace a computer system. He said he is "surprised and disappointed" that it still has not been fixed, 16 months into the new governor's term.

"What would the president of Coors have done if EDS (the computer manufacturer) had installed a manufacturing control system and the beer production line shut down?" McCubbrey said. "He would have called the president of EDS and said, 'Hop in your jet and be in my office. You're going to fix this, fast.' "

That should have been done long ago, the professor said. "Ritter has to reset Mike's priorities. Let's get this behind us."

Locatis' deputy, John Conley, initially told the *Rocky Mountain News* that CBMS "is fully operational and major bugs have been worked out."

But nearly four years after CBMS began making lives miserable for poor people, the counties that struggle with it still can't make federal deadlines. In March, Colorado counties missed deadlines in helping 7,500 people - 35 percent, according to the Colorado Center on Law and Policy. El Paso County could not promptly provide food stamps to 78 percent of those who applied in February.

Ed Kahn, an attorney with the center who sued to get such reports, said it would be "outrageous" to consider CBMS fixed. He's poring over those reports now, and expects he'll try for an out-of-court fix. He has the option of seeking a contempt-of-court ruling.

Locatis acknowledged the gravity of the delays in providing benefits the CBMS system has caused.

"I think it's a very serious situation," he said. With the change in authority, "Now I, and others in state government with experience in this, can put their eyes on it."

Locatis hopes to see improvement because Conley is negotiating a much tougher new contract to operate CBMS. The original EDS contract runs out early next year, and both EDS and Deloitte are bidding for the extension.

Locatis says consolidating all information technology workers in his division will help him solve problems like CBMS.

First, he's surveying his new employees to find out what talents they have. Then he can redeploy them on top priorities.

"There's a huge amount of duplication," Locatis said. The state can save millions of dollars when it no longer has to train staff to support dozens of different e-mail and phone systems, he said.

## **Consolidation gains seen**

As 39 data centers are gradually folded into three, leasing and cooling bills will drop, he said. Security will be less expensive. Locatis thinks Colorado may need only half the 1,700 servers that it runs now.

It could take three to five years to do this, however. So far, three data centers are being closed, and "we've stopped people from building new data centers," Locatis said.

With many state computer staffers due to retire, he expects to avoid layoffs. New employees may be hired with different skills, perhaps in supervising replacement of outdated systems.

He also expects to buy more software that's proved to work in other states. "Our expertise is not in developing software from scratch. That's proven," he said.

Colorado spends 80 percent of its computer budget on maintenance and 20 percent on innovation, he said.

## **Problem systems**

- **Department of Transportation:** Sixty percent of DOT staff said they want their year-old, \$38 million computer system fixed or scrapped.
- **Vocational Rehabilitation:** Colorado halted development of this \$4.5 million computer system from HCL last year and has not decided whether to repair or drop it.

- **Vehicle Registration:** Colorado pulled the plug on the \$10 million CSTARs system for vehicle registration last year. The Department of Revenue is revamping what it wants the computer system to do.
- **Unemployment Insurance:** Colorado lost \$27 million on this system, which former Gov. Bill Owens shut down because it had a 20-percent error rate. The Department of Labor is trying to simplify its workflow before trying again.

## **New systems**

- **Taxation:** Locatis gives the Owens administration an A+ on its last-minute contract to buy an off-the-shelf tax system to replace a jury-rigged mess with parts that date to the 1960s. Fast Enterprises of Greenwood Village has installed its program in numerous other jurisdictions, and will adjust it to fit Colorado's tax laws. The \$56 million project is the first installation to be supervised by Locatis' team and "the one we're most proud of."
- **Women, Infants and Children Program:** New software is being created for this nutrition program for Colorado, Utah and Wyoming jointly. The federal government is funding the \$11 million project.
- **Telephones:** New \$13 million contract will consolidate 20 phone systems near the Capitol into one by 2010. So far, two offices are switching.