## BACKGROUND

The California Department of Technology (CDT) released the Project Approval Lifecycle (PAL) Stage 1 Business Analysis in June 2015 as part of the reforms to the state’s Information Technology (IT) project approval process. As documented in Statewide Information Management Manual (SIMM) Section 19A, the Stage 1 Business Analysis is the first stage of the PAL and provides a basis for project management, program management, executive management, and state-level control agencies to understand and agree on business problems or opportunities, and the objectives to address them. Additionally, the Stage 1 Business Analyses are used to generate the quarterly Conceptually Approved IT Project Proposals Report which represents the Executive Branch's plan for IT investments in support of the California IT Strategic Plan.

Within state government, Agency-affiliated State Entities are governed by one of the state’s umbrella Agencies which support the appropriate application of checks and balances. These Agencies have a strong understanding of the constituent and program needs of their Agency-affiliated State Entities. In an effort to promote collaboration and sharing of ideas, the Department of Technology has delegated the CDT approval of all Stage 1 Business Analyses prepared by Agency-affiliated State Entities to their governing Agencies. The CDT wishes to empower Agencies to serve as an independent and objective body for Stage 1 Business Analysis review and approval, enabling Agencies to make their own determinations on departmental business problems considered for IT solutions. With this delegation, the CDT expects Agency Chief Information Officers (AIOs) to confirm that business problems identified through this process can and should be solved. AIOs are also responsible for ensuring that the content of approved Stage 1 Business Analyses are clear and complete enough to contribute to the necessary work that will take place in subsequent stages of the PAL.

## PURPOSE

The purpose of this Technology Letter (TL) is to announce:

- Agency Chief Information Officers (AIOs) have been delegated the CDT approval authority for Stage 1 Business Analyses for their own Agencies and those prepared by Agency-affiliated State Entities.
- Stage 1 Business Analyses prepared by Non-affiliated State Entities will continue to be approved by the CDT prior to conducting and submitting a Stage 2 Alternatives Analysis.
- Revised SAM Section 4819.2 to modify the definition of “Agency” and the addition of new definitions including “Agency-affiliated State Entities” and “Non-affiliated State Entities”.
- Revised SAM Section 4815 and SIMM Section 19A to include updated language regarding the delegation of Stage 1 Business Analysis approval and new transmittal requirements.
- Agencies are required to provide a portfolio report of all Agency approved Stage 1 Business Analyses to CDT and the Department of Finance on a monthly basis.

- AIOs may recommend independent CDT oversight for delegated projects as needed (e.g. diminished project performance, significant deviations from approved baselines, etc.)

The link to SIMM is as follows: [http://www.cio.ca.gov/Government/IT_Policy/SIMM.html](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html).

**QUESTIONS**

Questions should be directed to your CDT IT Project Oversight Division Manager; assignments can be found at: [http://www.cio.ca.gov/Contact_Us/staff_assignments.asp](http://www.cio.ca.gov/Contact_Us/staff_assignments.asp)

**SIGNATURE**

/s/

Amy Tong, Director  
California Department of Technology
Stage 1 Business Analysis (S1BA) Approval Process

<table>
<thead>
<tr>
<th>State Entity</th>
<th>Agency-Affiliated State Entities</th>
<th>Non-Affiliated State Entities</th>
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<tbody>
<tr>
<td>Start</td>
<td>State Entity develops S1BA</td>
<td>Start</td>
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<tr>
<td></td>
<td>State Entity submits completed Business Concept (S1BA) to Agency in standard format, per SIMM 19A</td>
<td>State Entity submits completed Business Concept (S1BA) to CDT in standard format, per SIMM 19A</td>
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<tr>
<td>Agency</td>
<td>Agency Chief Information Officer (AIO) evaluates S1BA for completeness, sufficiency of business case and alignment with Agency priorities</td>
<td>Agency determines whether or not to approve S1BA, submits approved S1BAs to CDT</td>
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<tr>
<td>California Department of Technology (CDT)</td>
<td>CDT assigns Project Number and adds project to the Conceptually Approved IT Projects Report and retains S1BA for future reference</td>
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<td>Continue to next Stage of PAL</td>
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