State of Wisconsin • DEPARTMENT OF REVENUE

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Scott Walker
Governor

Richard G. Chandler
Secretary of Revenue

March 28, 2014

Mike Huebsch, Secretary
Department of Administration
Office of the Secretary
101 East Wilson Street, 10th Floor
Madison, WI 53702

Dear Secretary Huebsch:

Attached is the Department of Revenue's Annual Information Technology (IT) Plan for fiscal year 2014-15.

This plan is aligned with our agency's mission. It continues our dedication to customer service and operating efficiently for the taxpayer of Wisconsin.

Sincerely,

Richard G. Chandler
Secretary of Revenue

Enclosure

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1. Agency Overview

The Department of Revenue's mission is to administer Wisconsin's tax system to provide revenue to fund state and local government services.

Our business strategy is to focus on continuous improvement and look at innovative and creative ways to improve operations while providing excellent products and services. We continue to focus on measuring our work outcomes to reduce risks and deliver tangible value for the citizens of Wisconsin in the services we provide.

Our vision is to provide leadership in four key areas: implementing good tax policy with an emphasis on job creation, providing excellent customer service, operating efficiently and maintaining a positive work environment. We continue to focus on lowering the overall tax burden on our citizens and businesses, making the taxpaying process easier for our customers and using taxpayer dollars wisely when operating the agency.

The Department recognizes the role Information Technology (IT) plays in the successful achievement of its business strategy. The knowledge and information found in our IT systems offers a wealth of value not only to improve management and operational decision-making, but also in identifying new sources of value, innovation, and operational improvement.

A part of the Department's business strategy for the next year is to implement business analytics. Analytics will enhance the Department's ability to collect taxes by improving our means of identifying audit candidates and improving our collection activities. Analytics will allow us to prioritize our collection and audit activities, providing a higher rate of return on the work being completed by Department employees.

Privacy and security will continue to be a top priority as we head into FY15. The Department will continue to administer privacy and security training, which will includes live tests addressing building access, password protection, flash drive and USB port security, as well as phishing. This is a very important aspect of protecting the confidential taxpayer information we are entrusted with.

To enable the Department to continue harnessing the value of technology, our primary focus will continue to be on IT simplification. By simplifying our technology environment we are able to deliver better business performance, greater flexibility, and higher levels of productivity.

Continually focusing on simplifying our technology environment allows us to create value for the Department in three ways: by generating financial capacity that can be invested in new growth opportunities, by managing risk, and by increasing our technological capabilities. This allows DOR to be more responsive and to innovate faster than ever before.

2. Agency Information Technology Budget

Program/Appropriation (All Funds)	FY14
Integrated Property Tax Systems (IPAS)	$2,319,800
Information Technology	$8,590,343
Integrated Tax System (WINPAS)	$6,894,000
Division of Technology Services (DTS)	$9,938,728

3. Agency Information Technology Staffing

Full Time Employees (FTE):	112.60
Limited Term Employees (LTE):	35
Contractors:	12
Open Positions:	6

4. Agency Projects

The following are the Department of Revenue's IT projects expected to cost $1,000,000 or more. These include all IT projects that are starting, ongoing or ending anytime between July 1, 2014 and June 30, 2015.

a) Lottery Gaming System Contract Rebid

1) Project Name: Lottery Gaming System Contract RFP			
2) Project Type: ☒ New FY15 ☐ Ongoing			
3) Project Description: The Wisconsin Lottery's current multi-year contract for the lottery gaming system and services ends in June 2015. The current contract will have to be extended.			
4) Project Schedule	Start: Fall 2014	Completion: Fall 2016	
5) Application Platform:	☐ Mainframe	☐ Windows Multi-Tier	☐ Client-Server
	☐ Web Internet	☐ Web Intranet	☐ Physical
	☐ Consolidated	☐ Co-located	☐ Virtual
6) Application Type:	☐ State Developed	☐ SaaS	☐ Transfer
	☐ COTS	☒ Vendor Managed/hosted	☐ Other (specify) _____
7) Technical Architecture Components: N/A			
8) Estimated Total Project Hours: 5000		8a.) Estimated Total Project Cost: $13mil/yr	
9) Related Projects and Dependencies: None			
10) Project Sponsorship and Funding (please complete the information below)			
Executive Sponsor: Jack Jablonski		Division: Secretary's Office	
Business Sponsor: Mike Edmonds		Division: Lottery	
Senior Project Manager: Jean Adler		IT Authority: Rick Offenbecher	

Is Full Funding for Project Approved/Secured? ☒ Yes ☐ No Funding Source for the Project: ☐ GPR $_____ ☐ PR $_____ ☒ SEG $_____ ☐ FED $_____
11) Issues that may influence successful execution of the project: It is anticipated that the losing proposers will protest the contract award.

b) Modernization of Data Capture Capabilities

1) Project Name: Modernization of Data Capture Capabilities			
2) Project Type: ☐ New FY15 ☒ Ongoing			
3) Project Description: To improve the quality of scanned images and the method by which the data is captured from those images. Software and scanner improvements will enable us to capture forms and text that, up to now, have been unavailable to us. The newly captured information will assist with our new tax fraud initiatives as well as supplement our current tax processing data needs.			
4) Project Schedule	Start: March 2013	Completion: August 2014	
5) Application Platform:	☐ Mainframe	☐ Windows Multi-Tier	☐ Client-Server
	☐ Web Internet	☐ Web Intranet	☐ Physical
	☐ Consolidated	☐ Co-located	☒ Virtual
6) Application Type:	☐ State Developed	☐ SaaS	☐ Transfer
	☒ COTS	☐ Vendor Managed/hosted	☐ Other (specify) _____
7) Technical Architecture Components: N/A			
8) Estimated Total Project Hours: 6000	8a.) Estimated Total Project Cost: $900,000 (implementation), $359,000 (scanners) + $1,320,000(software)		
9) Related Projects and Dependencies: None			
10) Project Sponsorship and Funding (please complete the information below)			
Executive Sponsor: Rick Offenbecher	Division: Technology Services		
Business Sponsor: Patrick Grant	Division: Technology Services		
Senior Project Manager: TBD	IT Authority: Rick Offenbecher		
Is Full Funding for Project Approved/Secured? ☒ Yes ☐ No Funding Source for the Project: ☒ GPR $_____ ☐ PR $_____ ☐ SEG $_____ ☐ FED $_____			
11) Issues that may influence successful execution of the project:			

c) Unclaimed Property Legacy Application Migration

1) Project Name: Unclaimed Property Legacy Application Migration
2) Project Type: ☒ New FY15 ☐ Ongoing

3) Project Description: As a result of the 2013-15 Biennial Budget bill, the Wisconsin Department of Revenue (DOR) became the administrator for the State of Wisconsin's unclaimed property program, instead of the State Treasurer. Unclaimed property has a current value in excess of $430,000,000 in cash and securities. There are over 8,000 holder reports filed each year and there are over 27,000 claims processed each year, representing over $30 million. DOR has developed a fully integrated tax processing system over the past eight years called WINPAS (Wisconsin Income, Processing and Audit System). To ensure the Unclaimed Property program is efficient and cost-effective and offers the best service to our internal and external customers DOR will be migrating the current unclaimed property application into WINPAS.			
4) Project Schedule	Start: March 2013	Completion: July 2015	
5) Application Platform:	☐ Mainframe	☐ Windows Multi-Tier	☐ Client-Server
	☐ Web Internet	☒ Web Intranet	☐ Physical
	☐ Consolidated	☐ Co-located	☒ Virtual
6) Application Type:	☐ State Developed	☐ SaaS	☐ Transfer
	☒ COTS	☐ Vendor Managed/hosted	☐ Other (specify) _____
7) Technical Architecture Components: N/A			
8) Estimated Total Project Hours: 4900		8a.) Estimated Total Project Cost: $1,300,000	
9) Related Projects and Dependencies: None			
10) Project Sponsorship and Funding (please complete the information below)			
Executive Sponsor: Diane Hardt		Division: Technology Services	
Business Sponsor: Vicki Gibbons		Division: Income Sales & Excise Tax	
Senior Project Manager: Erin Egan		IT Authority: Rick Offenbecher	
Is Full Funding for Project Approved/Secured? ☒ Yes ☐ No Funding Source for the Project: ☒ GPR $_____ ☐ PR $_____ ☐ SEG $_____ ☐ FED $_____			
11) Issues that may influence successful execution of the project:			

5. Potential Agency Projects

The following are the Department of Revenue's potential IT projects expected to cost $1,000,000 or more. These projects are just conceptual projects or projects that might be initiated in FY15 due to potential legislative changes.

Potential Project Name: SLF Mainframe Applications Modernization
Description: A portion of the business applications used by the State and Local Finance Division are implemented using antiquated technologies resulting in substantial support and maintenance costs. The Department will be undertaking a multi-phased initiative to modernize these legacy applications to a modern software platform. The first phase of this initiative is estimated to start in the first half for FY15. The exact scope, timelines and cost for the initiative or its phases have not been determined.
Resourcing: GPR

Potential Project Name: Advanced Tax Analytics
Description: Advanced Tax Analytics will enhance DOR's ability to collect taxes by improving our means of identifying audit candidates and improving our collection activities. Analytics would allow us to prioritize our collection and audit activities, providing a higher rate of return on the work being completed by Department employees.
Resourcing: GPR

6. IT Infrastructure Projects

The Department of Revenue has not identified any IT Infrastructure related projects or expenditures over $100,000 for FY15.

7. Issues

The following are issues that may affect DOR's ability to support or execute this agency IT plan for FY 15:

- Funding Reduction or Lapse Requirements

  Reduction in IT funding would have an impact on the agency's ability to complete the projects outlined in this plan.

- Staffing Levels/Workforce Planning

  We have been taking steps to ensure cross training on all aspects of our IT portfolio. However, there are still areas where loss of key staff would have a negative impact on a project or support function.

- DET Rates and Vendor Maintenance & Support Costs

  Substantial increases or changes in DET's rate structure or increases in vendor costs for maintenance and support on our deployed hardware and software infrastructure could affect items listed on this plan by competing for funding.

- Legislation

  State and/or federal tax legislation often results in system modifications. If the nature or magnitude of changes is high and requires significant IT resources to accomplish, the plan may be negatively impacted.