

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Information Technology Agency
Virginia Administrative Code (VAC) Chapter citation(s)	_ VAC __-__
VAC Chapter title(s)	
Action title	IT Project Management Standard (CPM 112-04) Revisions
Date this document prepared	May 7, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Amendment of Guidance Document

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>This revision modernizes state IT project management. Specifically, the update to this guidance document:</p> <ul style="list-style-type: none"> • incorporates “agile” (the methodology) content; • updates and streamlines current project management processes, including by moving from a one-size-fits-all approach to an approach that recognizes (based on evaluation of defined criteria) that different agencies may be in different situations; • changes project category definitions; • adds references to Enterprise Architecture (EA) Standard impacts; • updates and streamlines statutory references; • updates the project threshold to \$1 million, offering agencies who have robust project management increased flexibility; and • increases the change request percentage to streamline agency processes. <p>Direct Costs: There are no direct costs associated with the amendment of this guidance document.</p> <p>Indirect Costs: There are no indirect costs associated with amending this guidance document.</p> <p>Direct Benefits: The changes to this guidance document will enable executive branch agencies to manage IT projects up to \$1 million dollars without having to seek an exception from the Commonwealth CIO. It will also provide executive branch agencies project management support earlier in the IT project management process. Agencies that have a demonstrated ability in project management will receive additional flexibility through a higher (\$1 million rather than \$250,000) threshold. Although VITA does not have a specific dollar value to assign to these changes, it is expected that these changes will improve state IT project management.</p> <p>Indirect Benefits: Executive branch agencies’ IT project management dollar threshold may increase (up to \$1 million) based on their demonstrated ability to manage their IT investments and projects in compliance with Commonwealth standards.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) N/A</p>	<p>(b) N/A</p>

(3) Net Monetized Benefit	N/A
(4) Other Costs & Benefits (Non-Monetized)	Executive branch agencies will have more flexibility for managing IT projects that exceed \$250,000.
(5) Information Sources	N/A

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: To the extent modernizing the Project Management Standard improves state IT project management skills and results, the status quo would forego those benefits.</p> <p>Indirect Costs: There are no indirect costs associated with the changes to this guidance document.</p> <p>Direct Benefits: The status quo would avoid a need to learn and adapt to the modernized approach.</p> <p>Indirect Benefits: There are no indirect benefits to maintaining the status quo.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>The alternative approach would be not to modernize the Project Management Standard – <i>i.e.</i>, the status quo. As stated above, there would be no change in costs or benefits under that approach.</p> <p>Direct Costs: No change</p>
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	Indirect Costs: No change	
	Direct Benefits: No change	
	Indirect Benefits: No change	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no expected costs or benefits to local partners.	
	Direct Costs:	
	Indirect Costs:	
	Direct Benefits:	
	Indirect Benefits:	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	

(4) Assistance	N/A
(5) Information Sources	N/A

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no expected costs or benefits to families. Direct Costs: Indirect Costs: Direct Benefits: Indirect Benefits:	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources	N/A	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no expected costs or benefits to small businesses. Direct Costs: Indirect Costs:	
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	Direct Benefits:	
	Indirect Benefits:	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Alternatives	N/A	
(5) Information Sources	N/A	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved	Initial Count	Additions	Subtractions	Net Change
N/A	8 statutory	0	0	0
N/A	464 discretionary	0	-69	-69

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A	N/A	N/A	N/A	N/A

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A	N/A	N/A
N/A	N/A	N/A

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length
COV PM Standard (CPM 112-04.2)	58 pages,	54 pages	-4 pages
COV PM Standard (CPM 112-04.2)	18,403 words	16,845	-1,558 words