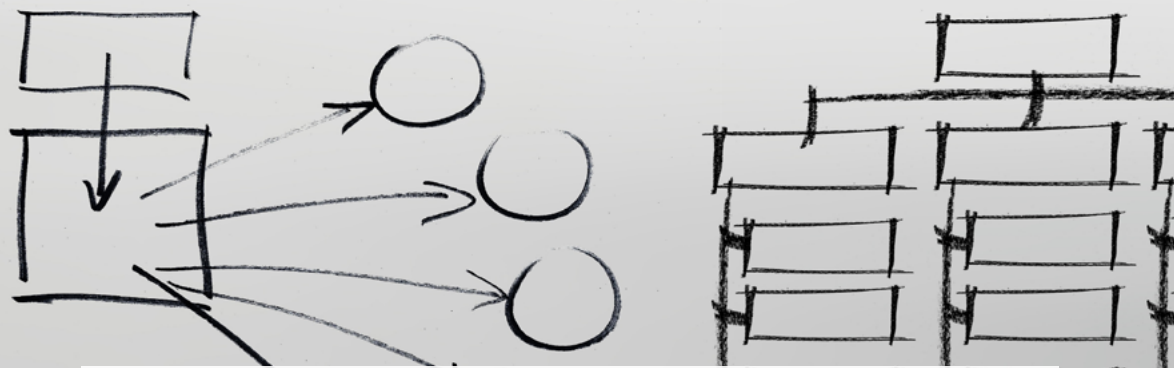## Tech Executive Leadership Initiative

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NextGen PAL: Dynamic Oversight for Technology Projects

Adapting approval and oversight processes to project scale

BACKGROUND

As part of their 10-week technology policy training program, the leaders of the Tech Executive Leadership Initiative spent 6 weeks working on real-world government challenges. Three teams tackled the question of how the State of California can improve its technology project approval and oversight process to better balance accountability with speed and delivery. Each team narrowed its focus to a specific part of the problem, conducted research, and developed solutions. Below is an overview of one team's solution: NextGen PAL.

FOCUS

Currently, the California Department of Technology uses a single approval and oversight process for all technology projects, regardless of their size or scope. While maximum oversight may be necessary for large-scale projects, smaller projects may not require the same micromanagement. The state should consider disaggregating its approval and oversight process so projects of different scales receive the appropriate balance of oversight and speed.

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RECOMMENDATIONS

The California Department of Technology (CDT) should separate its project approval process into two streams for small and large projects. For smaller projects with fewer contingencies, risks, and impacted Californians, the approval process should prioritize rapid evaluation and delivery with little oversight. For larger projects, the approval process should prioritize reduction in project scope and heavier oversight as these initiatives carry greater risk.

As explained in the attached policy brief, the CDT should:

1. **Split the first stage of its Project Approval Lifecycle (PAL) into two phases:** Phase 1a, Discovery & Planning, during which teams detail how their project will benefit constituents; and a new Phase 1b, Proof of Concept, during which teams are challenged to demonstrate that their solutions will be effective. This would allow the CDT to determine project risk early by reviewing prototype solutions before they are fully developed.

2. **Create two lanes for projects:** "PAL Lite" for small projects and "PAL Regular" for larger projects. Under the PAL Lite model, smaller projects would undergo fewer interventions and checks, allowing them to be completed quickly with a proportionate amount of oversight. Under the PAL Regular model, larger projects would be subject to more checks, allowing the state to guarantee these higher-stakes projects are completed correctly.

3. **Create a cost and time ceiling for large projects:** California IT projects with budgets over $15M typically blow past their allowances. By limiting cost and time, the CDT can reign in inefficient projects, introduce accountability, and reallocate resources to smaller, less-resourced initiatives.