



Idaho State Legislature

700 West Jefferson Street

P.O. Box 83720

Boise, Idaho 83720

February 13, 2024

Rep. David M. Cannon, Co-Chair
Sen. Melissa Wintrow, Co-Chair
Joint Legislative Oversight Committee

Dear Co-Chairs and JLOC Members,

We respectfully request that the Joint Legislative Oversight Committee (JLOC) direct the Office of Performance Evaluations (OPE) to evaluate the new enterprise resource planning system, commonly known as Luma, which is being implemented and managed by the State Controller. This system encompasses payroll, human resources, budgeting, finance, and procurement on a statewide basis, and is critical to the provision of government services to all Idahoans.

The Legislature has received many complaints from state agencies alleging this system is plagued by inefficiencies, inaccuracies, and unnecessary complexities, and is requiring more resources to complete basic fiscal functions and requirements than were required with the legacy systems. We would request that an evaluation of this system address, at a minimum, the following:

- 1.) Choice of the system for Idaho. This can include:
 - a.) The RFP and selection process.
 - b.) The contract negotiation and development process.
 - c.) Accountability measures in the contract.
 - d.) Contract deliverables and penalties for nonperformance.
 - e.) System and contractor costs.
 - f.) The overall complexity of the system for state government functions.
 - g.) Any required statewide accounting changes.

- 2.) What planning and approaches were used to implement the system? This can include:
 - a.) The use of agency input in system mapping.
 - b.) Creation of the Business Infrastructure Information Fund and its uses.
 - c.) Readiness of the system to go live.
 - d.) Communication and outreach to agencies.
 - e.) The amount, level, and types of training and support provided to agencies.
 - f.) Guidance on reporting functions and creation of statewide reports, including mapping of key legacy reports to new reports.

- g.) Decommissioning of the legacy systems, including consideration of running dual systems during the implementation period.
 - h.) Development of a robust "Plan B" in the event of new system failure.
- 3.) Analysis of agency workload and required transactions prior to and after Luma implementation.
 - 4.) The number and type on ongoing system issues and errors.
 - 5.) Purported savings from the new system. The State Controller testified to the Joint Finance Appropriations Committee in October 2017 that the implementation of this system would realize an estimated \$251.6 million in savings over a ten-year period. This included process improvement savings, procurement spending reduction, planned system upgrades, and the elimination of existing systems.

This evaluation will provide the Idaho Legislature with valuable information regarding information technology selection and implementation in Idaho state government, and potential paths forward to remedy ingoing issues. Because state agencies continue to face problems with the use of Luma, we request that JLOC consider approving this study as soon as possible, and direct OPE to make this their highest resource priority project.

Sincerely,



Rep. Mike Moyle
Speaker of the House



Sen. C. Scott Grow
Chairman, Senate Finance Committee



Rep. Wendy Horman
Chairman, House Appropriations Committee




Rep. David Cannon
Co-Chair, Jt. Leg. Oversight Committee



Sen. Melissa Wintrow
Co-Chair, Jt. Leg. Oversight Committee



Rep. Ilana Rubel



REP. DOUGLAS T. PICKETT



REP. STEVE BERCH