Information Technology

Joint Appropriations Committee

25 February 2009

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Fiscal Research Division
Agenda

• Background
• SB 991
• IT Management
• IT Expenditures
• IT Projects
• Issues
Background

- IT responsibility housed in four different places since early 1980s
  - Department of Administration
  - Office of the State Controller
  - Department of Commerce
  - Office of the Governor
- Policy-making board has evolved
- Two recurring themes since 1983
  - Consolidation of IT functions
  - Spending IT funding wisely

Senate Bill 991 passed in 2004
Why Senate Bill 991?

• Improve Information Technology Planning
• Adopt Standards
• Make Project Development More Efficient
• Reduce Cost Overruns
• Provide Assistance to State Agencies
• Increase Accountability

Bottom Line = Structure and Process
Who Is Exempt?

• Administrative Office of the Courts
  – Agency of the judicial branch
• UNC System
• Department of Justice
  – Allowed to elect not to participate
• Department of Revenue
  – Exempt from any provision requiring departments or agencies to consolidate information processing functions on equipment owned, controlled, or under custody of ITS
• General Assembly
IT Management and Oversight Structure

- Governor
- State Chief Information Officer
- Office of Information Technology Services
- Information Technology Advisory Board
- General Assembly
- Joint Legislative Oversight Committee on IT

Appointment of Members
## Project Management

<table>
<thead>
<tr>
<th>Phase</th>
<th>Approval</th>
<th>What Happens?</th>
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<tbody>
<tr>
<td>Project Initiation</td>
<td>SCIO/OSBM/OSC</td>
<td>Define requirements</td>
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<td>Develop strategy</td>
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<td>Determine initial costs</td>
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<td>Planning and Design</td>
<td>SCIO/OSBM/OSC</td>
<td>Produce supporting documents</td>
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<td>Determine costs</td>
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<td>Execution and Build</td>
<td>SCIO/OSBM/OSC</td>
<td>Update documents</td>
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<td>Transition plan</td>
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<td>Implementation</td>
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<td>Update significant issues</td>
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<td>Closeout</td>
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<td>Closeout review</td>
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<td>Lessons learned</td>
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Information Technology Fund

- Special revenue fund
- May receive transfers and credits as authorized by General Assembly
- Money may be appropriated for IT Fund to meet statewide requirements
- Expenditures made by State CIO in consultation with ITAB
- Report submitted to Joint Legislative Oversight Committee on Information Technology by October 1
- Interest earnings credited to fund
- Authorized budget for 2008-09 is $17,131,340
IT Expenditures

• Total IT expenditures for SFY 2007-08 were $1,124,748,807
  – 10.46% increase over previous year
• ITS expenditures were $197,591,496
  – 27% increase over previous year

Source: Information Technology Expenditures Report, OSC
## IT Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>State Agencies</th>
<th>ITS</th>
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<tbody>
<tr>
<td>Salary/Fringe</td>
<td>$446,170,775</td>
<td>39.7%</td>
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<td>$44,809,478</td>
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<tr>
<td>PCs/Printers</td>
<td>$65,996,821</td>
<td>5.9%</td>
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<td>$3,002,937</td>
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<tr>
<td>LAN</td>
<td>$39,925,713</td>
<td>3.5%</td>
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<td>$5,522,435</td>
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<td>WAN</td>
<td>$17,841,559</td>
<td>1.6%</td>
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<td>$8,893,434</td>
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<td>Video Transmission</td>
<td>$7,470,655</td>
<td>0.7%</td>
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<td>$1,433,274</td>
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<td>Server</td>
<td>$56,672,265</td>
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<td>$28,028,397</td>
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<td>Mainframe</td>
<td>$121,524,655</td>
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<td>$19,529,624</td>
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<td>Applications Development/Other</td>
<td>$237,193,124</td>
<td>21.1%</td>
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<td>$33,296,780</td>
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<td>Telecommunications</td>
<td>$131,953,240</td>
<td>11.7%</td>
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<td>$53,075,137</td>
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$1,124,748,807  $197,591,496

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly
Information Technology Projects

• 180 Active Projects
  – Total cost = $857,218,675

• 48 in Initiation
  – Total cost = $386,196,148

• 21 in Project Closeout
  – Total cost = $113,490,430

*As of 2 February 2009
Issues

• Federal Stimulus Package
  – $7.2 billion for broadband grants/loans
  – $19 billion for health information technology

• Consolidation
  – ITS assumes responsibility for infrastructure
  – Agencies manage applications

• Use of State Infrastructure (Hosting)
  – Projects
  – Disaster Recovery
Issues

• Web Access
  – A multi-purpose, interactive web portal
  – Improved services for citizens and businesses
  – Wider availability of online services
  – Real time access to crucial, up-to-the-minute emergency information

• General Services Administration Schedule for IT Purchases
Questions

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