



# VITA Update

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Chief Information Officer of the Commonwealth

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**House Appropriations Subcommittee on  
General Government & Capital Outlay**

January 21, 2015



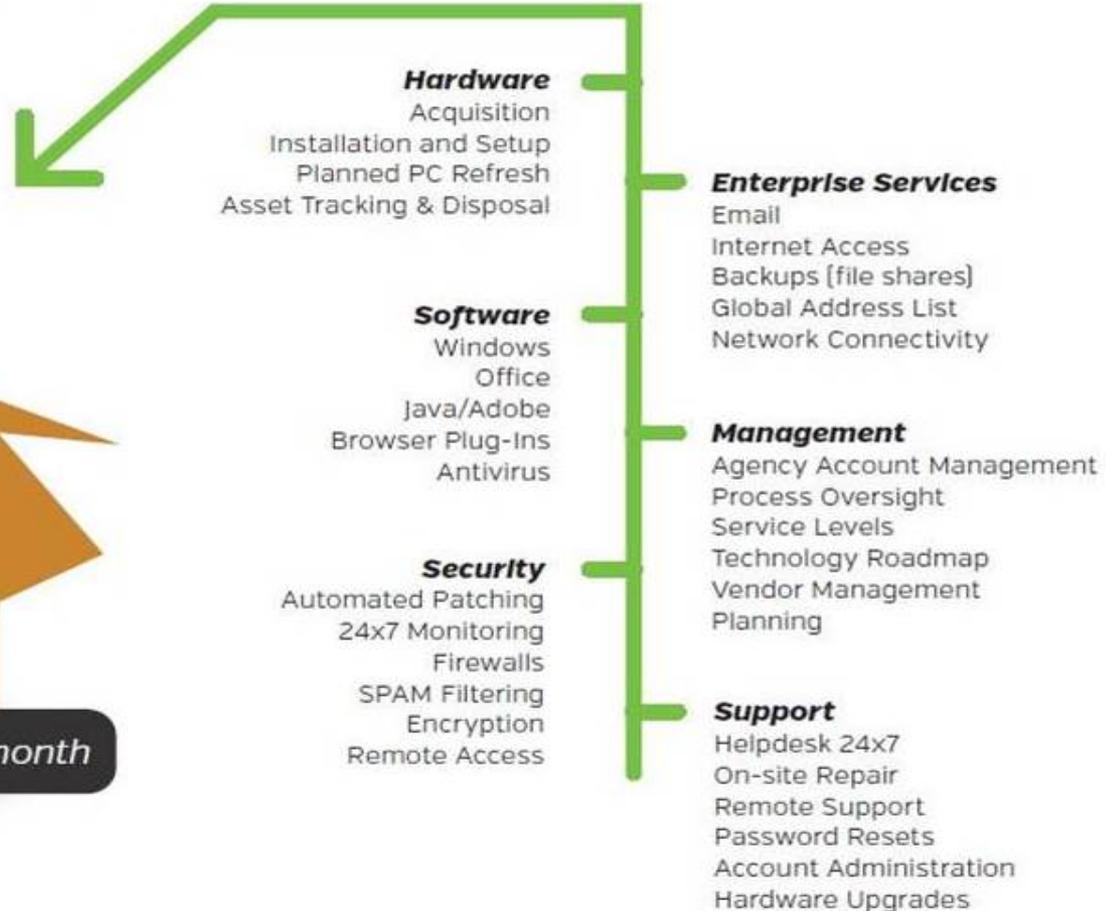
# VITA's Mission: Mandate for Change

- Executive & Legislative Branch leaders called for
  - ***Disciplined approach to managing IT services across the enterprise of state government***
  - Use of “shared services” (cloud computing)
- VITA has two statutory roles:
  - Provisioning statewide IT *infrastructure* for in-scope agencies
  - Oversight of IT procurements, projects, security, standards, policy and procedures, Wireless E-911, VGIN, contingent labor
- Modernization is a journey
  - Step 1: Creation of VITA & governance framework
  - Step 2: Transformation of infrastructure
  - Step 3: Focus on shared services across enterprise
  - Step 4: Northrop Grumman contract transition



# IT Provided As a Shared Service

People, Process,  
Technology and Leadership





# IT Infrastructure Supports Shared Service

## Computers

59,374 PCs  
3,356 servers

## Mailboxes

58,948 accounts

## Data storage

1.5 petabytes

## Mainframes (2)

IBM  
Unisys

## Communications

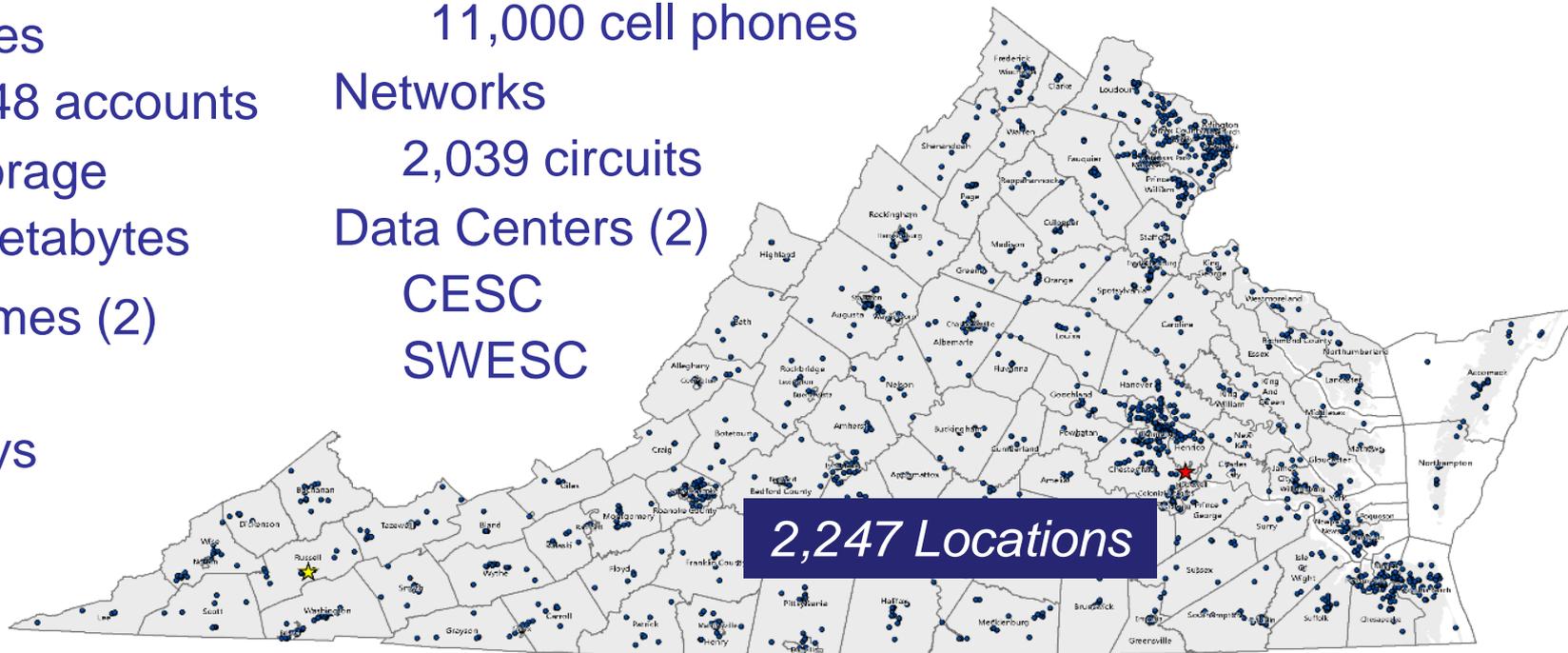
55,000 desk phones  
6,100 handhelds (PDAs)  
11,000 cell phones

## Networks

2,039 circuits  
Data Centers (2)  
CESC  
SWESC

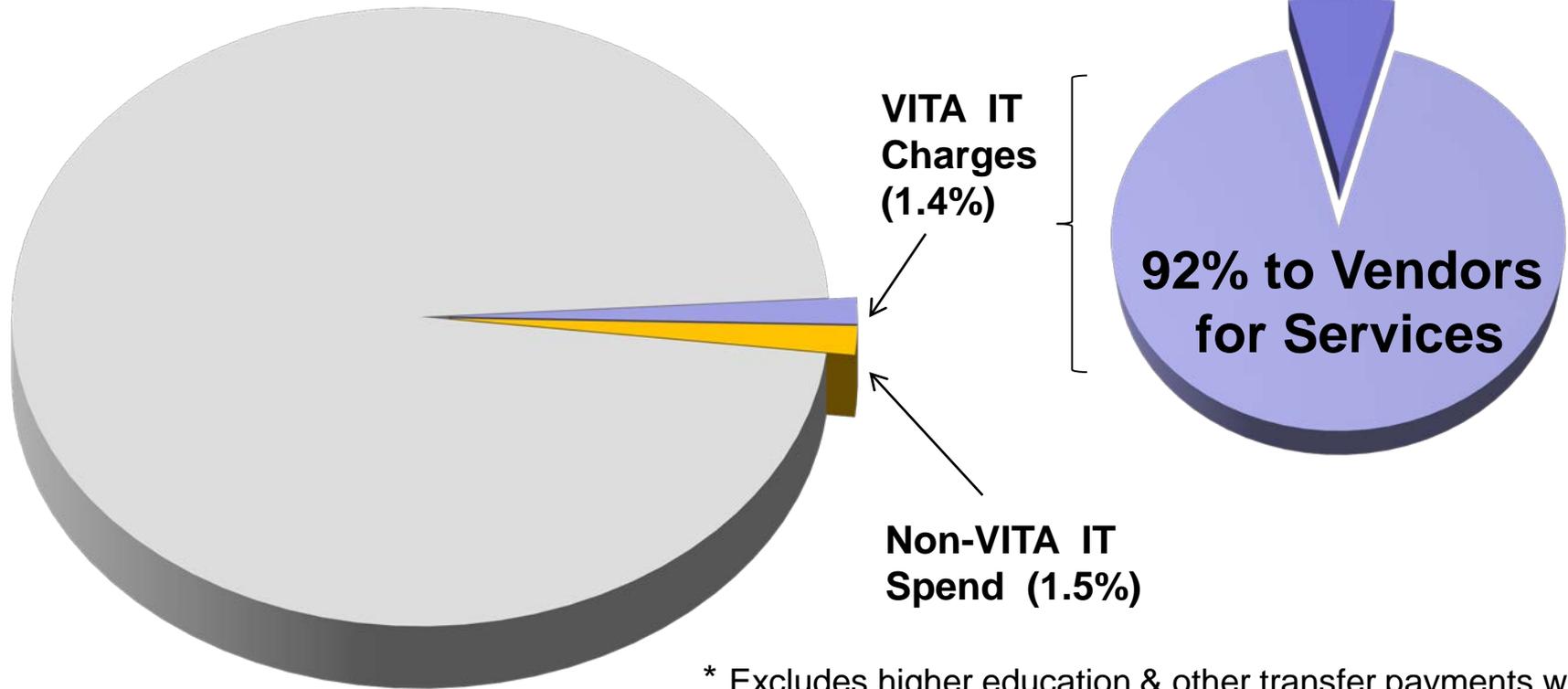
## Printers

5,311 network  
22,000 desktop



# All IT Spending Averages < 3% of Budgets

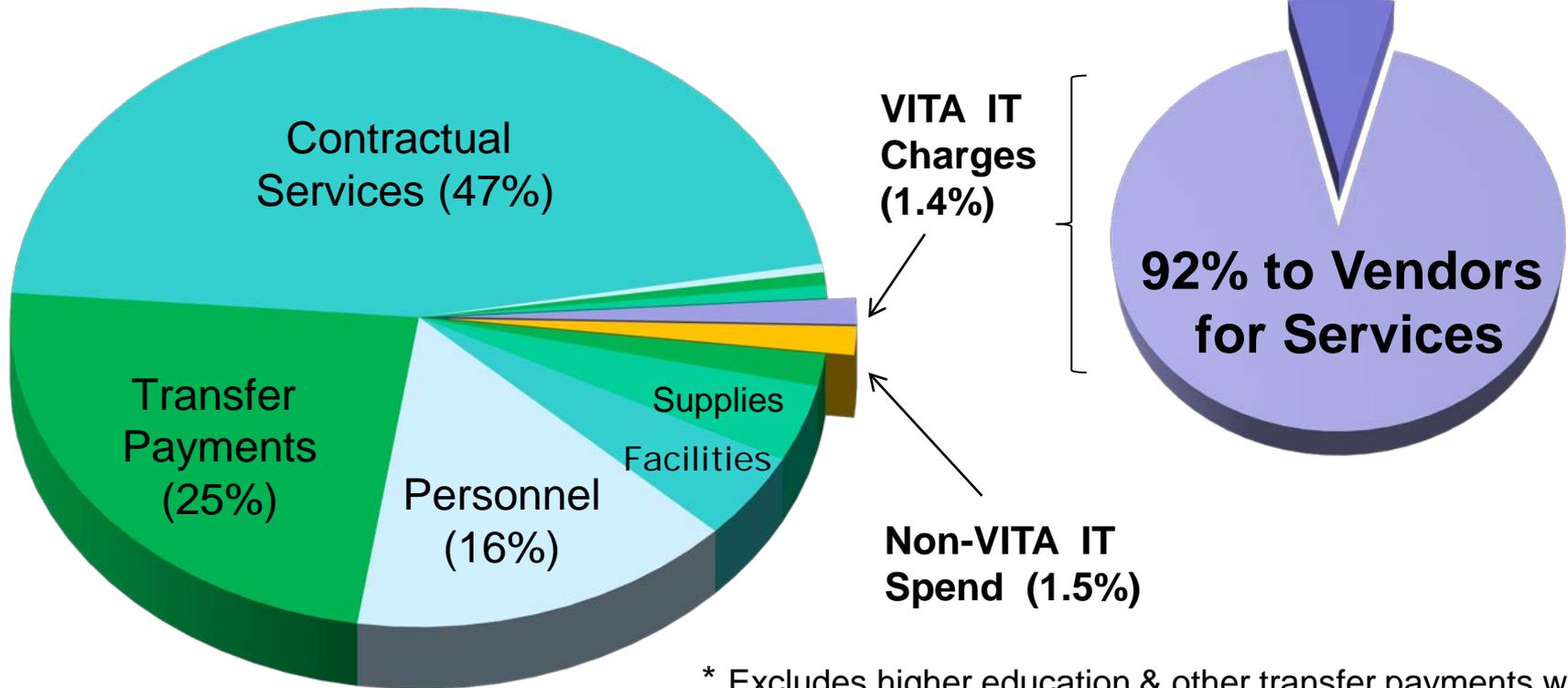
## Total FY 14 Expenditures by *In-Scope* Exec Branch Agencies\*



\* Excludes higher education & other transfer payments with own agency code (SOQ, Employee Health Ins., CSA, etc)

# All IT Spending Averages < 3% of Budgets

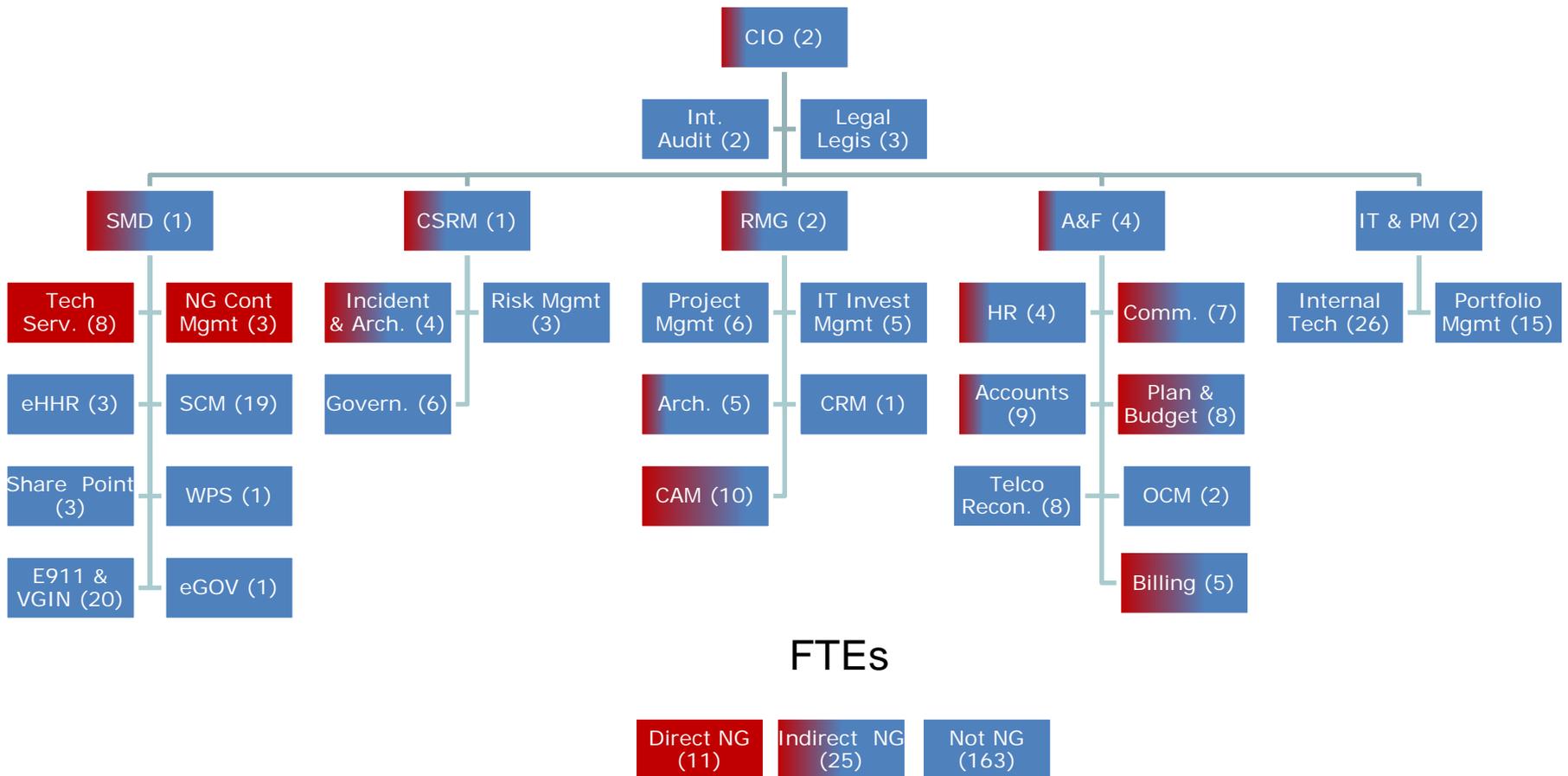
**Total FY 14 Expenditures by  
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# Few VITA Staff Directly Oversee NG





## VITA Appropriations

- Introduced budget appropriates \$386 M for VITA (FY 16)
  - Reduction of \$16 M from Chapter 3 because of projected decrease in IT spending by agencies
- VITA's retained agency expenses (ISF) are \$25.5 M
  - Salaries, rent, IT



## VITA Costs Are Primarily Paid from ISF

- VITA costs are primarily paid from ISF
  - \$350 M (FY 16)
- Internal service fund pays for
  - Vendor payments (92%)
  - VITA's oversight (8%)
- ISF rates and VITA overhead surcharge are
  - Adjusted annually
  - Paid by agencies from mix of GF and NGF



## Surcharge Pays for VITA's Agency Costs

- VITA's revenue from surcharge directly depends on IT spending by state agencies
  - Lower spending doesn't mean lower workload

FY	VITA Surcharge	Approval Process
12	8.48%	JLARC
13	8.32	JLARC
14	8.32	JLARC
15	8.26	Memorialized in budget
16	7.81	Memorialized in budget

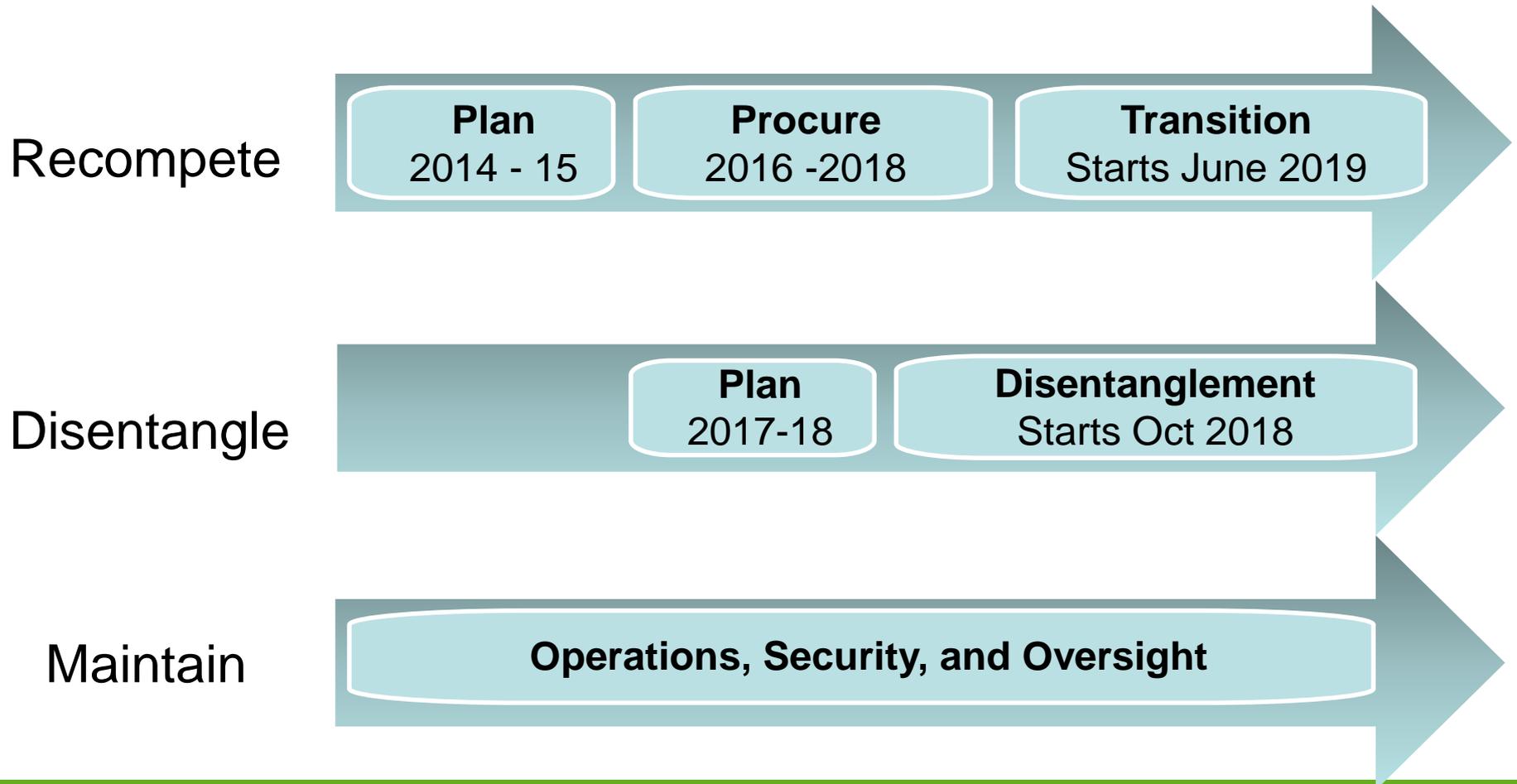


## Budget Adds New ISF Oversight Process

- ISF now primarily overseen by DPB
- Item 425 defines VITA's surcharge
  - Old process: surcharge based on VITA actual costs
  - New process: surcharge limits VITA actual costs?
- Part 4 language (§ 4-5.03) also creates new process for all ISF agencies
  - All rate changes must be in budget
  - Governor can change rates in emergencies
  - New reporting requirements



# Prospective Timelines for IT Sourcing





# Questions?

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