



# VITA Update

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Chief Information Officer of the Commonwealth

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**House Appropriations Subcommittee on  
Technology Oversight and Government  
Activities**

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## VITA's Mission

Provide a more business-like approach to the management of IT services across the enterprise of state government

VITA is a service organization

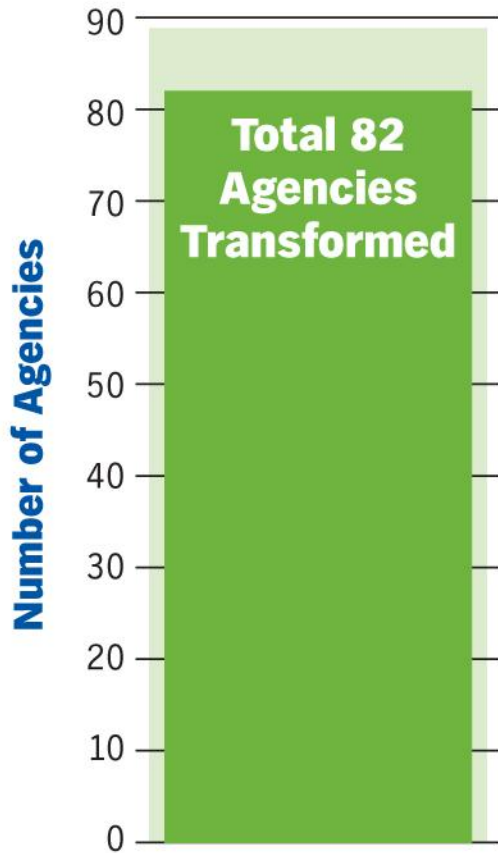
*"We Enable the Business of Government."*



## VITA – Statutory Span of Control

- Infrastructure services
- Project oversight
- Information security
- Supply chain management
- Standards & best practices
- Enterprise applications
- Wireless E-9.1.1, VGIN, VI, contingent labor

# Current State of IT Management



- Transformation
  - Critical mass achieved
  - Standard, reliable and secure
- Remaining agencies:
  - DOC, VDEM, DFS, DMAS, VDOT, VSP, VEC
- VITA organization
  - Stable financials
  - Improved processes and metrics
  - APA Audit

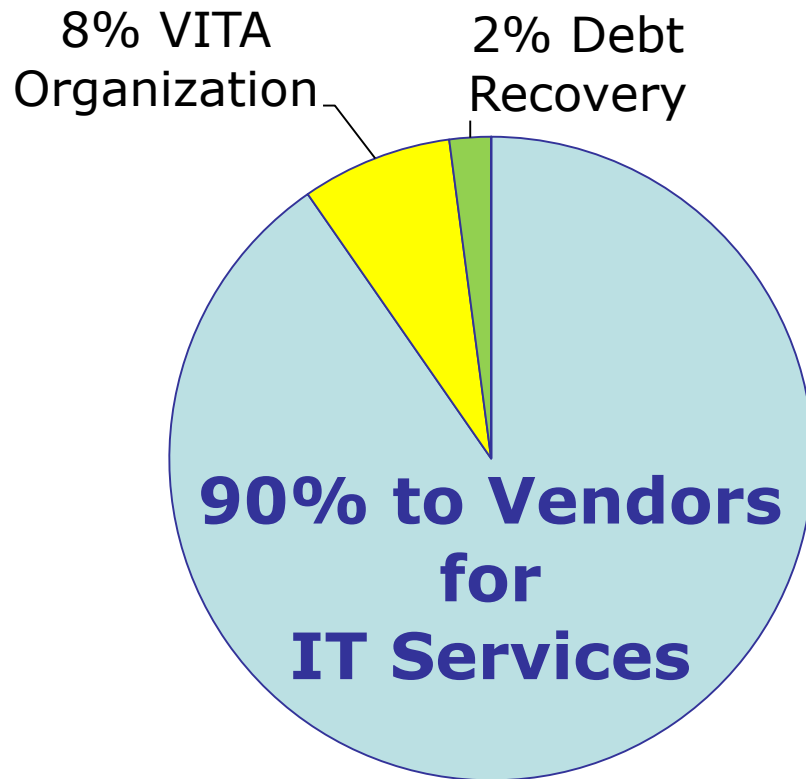


## VITA and Technology Innovation

- Initiatives to reduce costs and improve agency productivity
  - Enterprise Projects
  - Comprehensive Information Technology Assessments, Wireless usage audit
  - Solutions to increased productivity
  - Technology upgrades
  - Virginia.gov re-design
  - Governor's Reform Commission



# VITA Cost Recovery in FY11



VITA is primarily an Internal Service Funded (ISF) agency

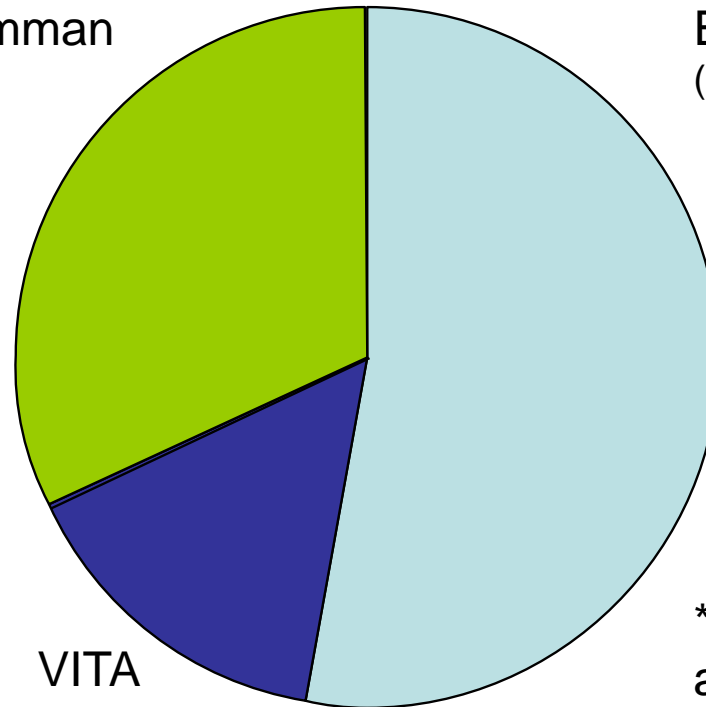
VITA's ISFs are overseen by JLARC

90% of VITA cost recovery is to pay vendors for agency consumption of IT services

# Distribution of CoVA IT Workforce

Northrop Grumman

Executive Branch \*  
(excl. higher education)



VITA

\*Agencies are responsible for applications and non-supported services.



# VITA – Payments vs. Cost Recovery

The story behind VITA's path toward financial stability

<b>FY</b>	<b>VITA Expenses 90% Vendor payments (\$ millions)</b>	<b>VITA Cost Recovery (\$ millions)</b>	<b>Profit/Loss (\$ millions)</b>
2010	289	257	<b>-32</b>
2011	298	304	<b>6</b>





# Components of VITA Cost Recovery

Cost Component	Amount (\$ millions)
<b>Baseline IT services (2005 levels &amp; types)</b>	<b>236</b>
Service Growth & Non-NG teleco (Verizon, Sprint)	15
New services since 2005 (wireless, storage, etc)	11
Legacy fees for non-transformed agencies	4
Contractually-required COLA	9
VITA organization costs (down 15% from FY10)	23
VITA Treasury loan payment	6
<b>TOTAL Costs (FY 11)</b>	<b>304*</b>

\* Includes \$18 M in local govt. & higher ed. telco



# VITA Costs Are Typically 2% of Budgets

Secretariat	FY11 Agency Budget	FY11 VITA Invoices Total	VITA Invoices as a % of Budget
Health & Human Resources	\$11,594,740,678	\$94,620,395	0.82%
Public Safety	\$2,554,740,254	\$51,304,327	2.00%
Transportation	\$4,123,850,932	\$77,077,875	1.87%
	\$18,273,331,864	\$223,002,597 *	<b>1.22%</b>

\* Top 3 account for 74% of VITA invoices

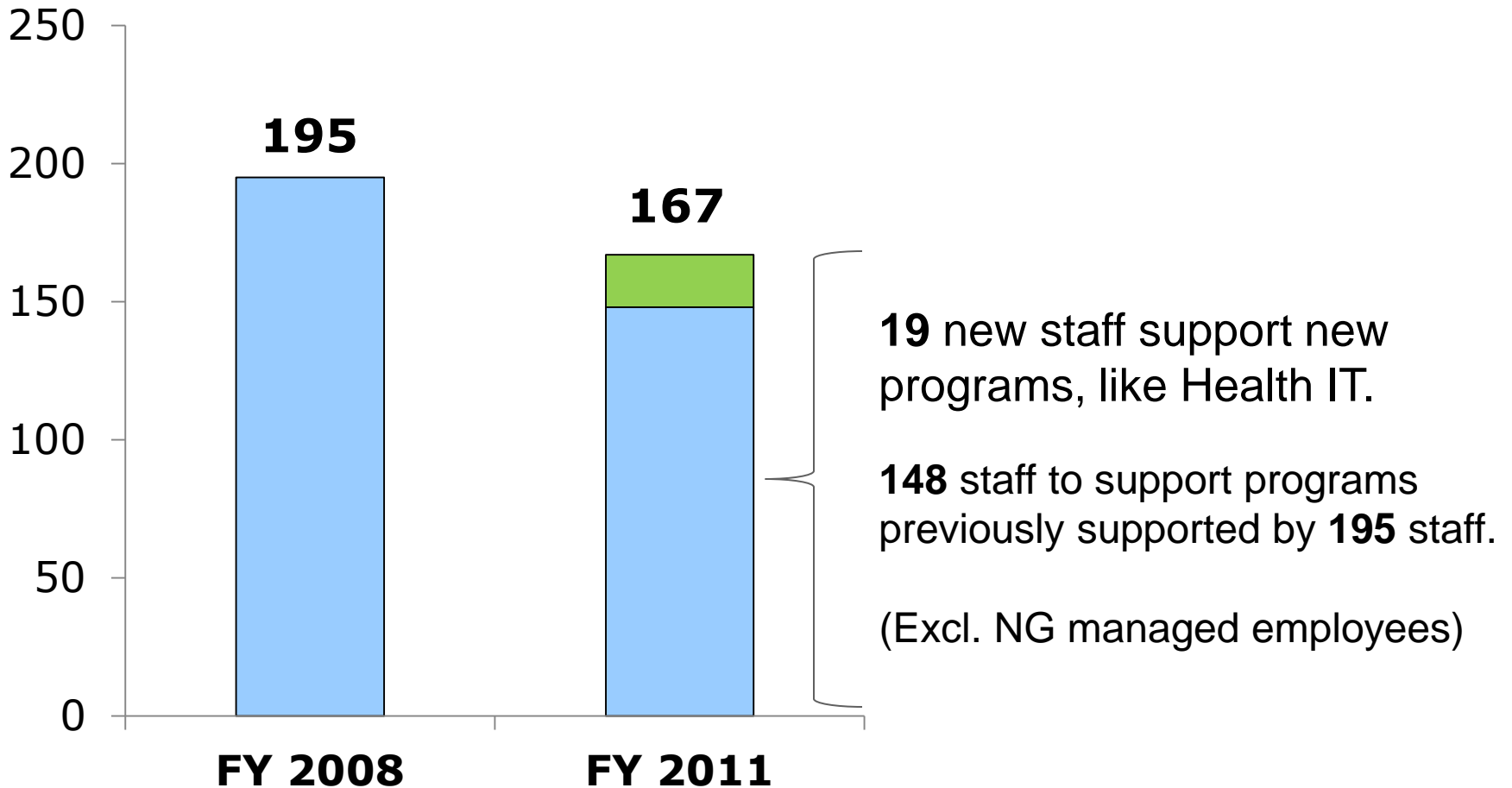


## VITA Retained Organization

- 15% cost reduction since June, 2010
  - Primarily due to net staffing reductions
  - Agency personnel & other costs equal \$23 M
- HB 30 contains additional 6% reduction in VITA's costs
- VITA must pay down Treasury loan
  - \$6 M recovered annually through rates over four years. Represents 2% of VITA cost recovery.



# VITA Staff 15% Smaller As Programs Grew





## Agency IT Projects contribute to IT spend (Nov 2011)

### Categories 1,2,3

**51 projects**

**Value of \$448,153,627**

- **Project Initiation Approval**  
25 projects - Value of \$338,614,018
- **Investment Business Case Approval**  
19 projects - Value of \$72,183,359
- **Identified for Preliminary Planning**  
7 projects - Value of \$37,356,250

### Category 4

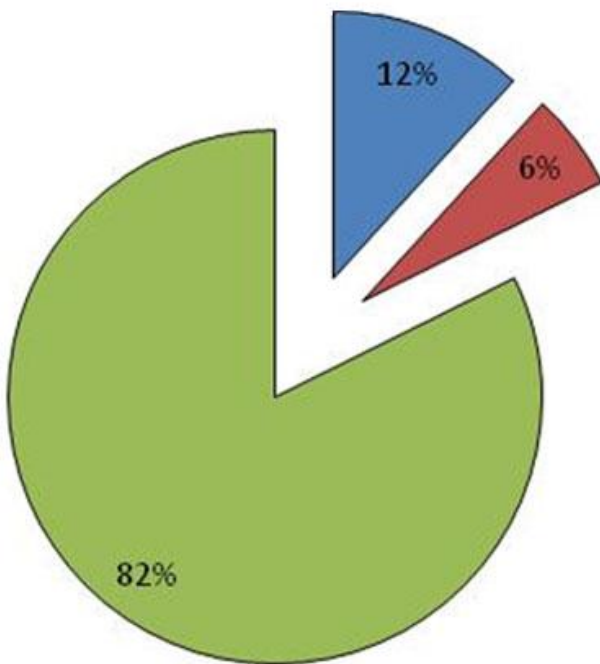
**153 projects**

**Value of \$ 71,010,238**

- **Approved for Development**  
40 projects - Value of \$19,415,093
- **Approved for Planning**  
49 projects - Value of \$21,057,093
- **Identified for Preliminary Planning**  
64 projects - Value of \$30,537,780


# Majority of IT Projects Are NGF

## Funding Sources



 Mixed: Two projects with a value of \$7,492,711

 GF: One project with a value of \$1,500,00

 NGF: 14 projects with a value of \$68,607,211

*Note that the two projects with 'mixed' funding sources have a 90 percent federal / 10 percent state funding split.*



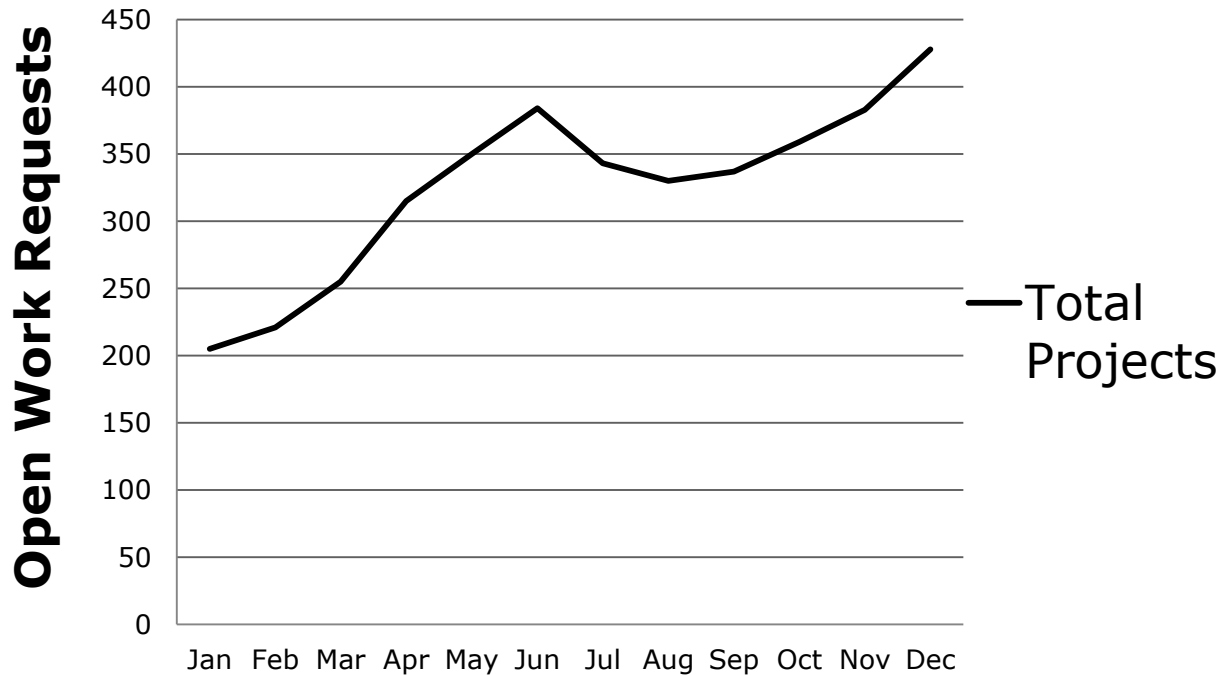
# Examples of Active Major IT Projects

Agency – Project Name	Amount
VEC Unemployment Insurance Modernization	\$58,540,155
VDOT Cardinal Project (Phase 1)	\$58,337,353
DOC Phase 2 & 3 Correctional Info. Sys. (CORIS)	\$23,093,458
DSS Automated Child Care Subsidy Sys.	\$20,364,802
DPB Performance Budgeting	\$15,000,313
DOE State Longitudinal Data Sys.	\$13,522,897



# Agency Service Requests Increased

## Work Request Growth in CY 2011







# Challenges

- IT Security (121M attacks in CA2011)
- VITA “mythology”
  - IT infrastructure as a fully-managed service, cost recovery
- Customer service
  - Perception vs. reality (work requests, help desk, SLAs)
  - Work requests for custom services can lag
- Enterprise Apps - program management
- Legacy applications
  - CARS, PMIS, ADAPT, many others
- Evolution of NG relationship
  - Technology innovation, new technologies
  - CIA under continuous change
- VITA Organization
  - 2<sup>nd</sup> oldest employee base in CoVA



# Questions?

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