OFFICE OF ADMINISTRATION
FISCAL YEAR 2018-19 BUDGET PRESENTATION

OFFICE FOR INFORMATION TECHNOLOGY

Office of Administration – Office for Information Technology
Fiscal Year 2018-19 Budget Presentation

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OFFICE OF ADMINISTRATION 2018-19 BUDGET PRESENTATION				
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I. SUMMARY FINANCIAL DATA
($ Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budgeted
State Funds	$62,688	$55,602	$56,906
(1) Commonwealth Technology Services (CTS) (10605)	$61,444	$54,275	$55,832
(2) Commonwealth Technology Services (CTS-MLF) (10979)	$1,244	$1,327	$1,074
Federal Funds Total	$1,412	$815	$623
(1) NSTIC Grant (71010)	$225	$225	$225
(2) Information Sharing Init. (71057)	$246	$246	$246
(3) JNET MARIS (80875)	$218	$42	$0
(4) JNET Inter-County Case Transfer (80882)	$87	$45	$45
(5) JNET ElecRptgImprvmt (80885)	$136	$107	$107
(6) JNET JFRS Messaging Queue (80549)	$500	$150	$0
Other Funds Total	$49,240	$48,784	$205,625
Augmentations Itemized			
(1) Integrated Enterprise System (IES) (10605**400)	$39,204	$39,213	$38,424
(2) Project Mgmt Resources (PMR) (10605**300)	$8	$25	$0
(3) OIT-Shared Service Delivery (10605**500)	$10,028	$9,546	$167,201
Total	**$113,340**	**$105,201**	**$263,154**

II. DETAIL BY MAJOR OBJECT
($ Amounts in Thousands)

		2016-17 Actual	2017-18 Available	2018-19 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL						
State Funds						
(1) CTS (10605)		$22,914	$23,704	$24,965	$1,261	5.32%
(2) CTS-MLF (10979)		$1,170	$1,113	$1,030	($83)	-7.46%
	Subtotals	$24,084	$24,817	$25,995	$1,178	4.75%
Other Funds						
Augmentations Itemized						
(1) IES (10605**400)		$13,778	$13,509	$13,292	($217)	-1.61%
(2) Shared (10605**500)		$0	$0	$153,458	$153,458	N/A
	Subtotals	$13,778	$13,509	$166,750	$153,241	1134.36%
Total Personnel		**$37,862**	**$38,326**	**$192,745**	**$154,419**	**402.91%**
OPERATING						
State Funds						
(1) CTS (10605)		$30,966	$27,193	$26,341	($852)	-3.13%
(2) CTS-MLF (10979)		$15	$44	$44	$0	0.00%
	Subtotals	$30,981	$27,237	$26,385	($852)	-3.13%
Federal Funds						
(1) NSTIC (71010)		$225	$225	$225	$0	0.00%
(2) Information Sharing Init. (71057)		$246	$246	$246	$0	0.00%
(3) JNET MARIS (80875)		$218	$42	$0	($42)	-100.00%
(4) JNET Inter-Cty Trfr (80882)		$87	$45	$45	$0	0.00%
(5) JNET ElecRptgImprvmt (80885)		$136	$107	$107	$0	0.00%
(6) JNET JFRS Mess Queue (80549)		$150	$150	$0	($150)	-100.00%
	Subtotals	$1,062	$815	$623	($192)	-23.56%
Other Funds						
Augmentations Itemized						
(1) IES (10605**400)		$22,313	$23,376	$22,856	($520)	-2.22%
(2) PMR (10605**300)		$8	$25	$0	($25)	-100.00%
(3) Shared (10605**500)		$9,809	$9,320	$13,517	$4,197	45.03%
	Subtotals	$32,130	$32,721	$36,373	$3,652	11.16%
Total Operating		**$64,173**	**$60,773**	**$63,381**	**$2,608**	**4.29%**

II. DETAIL BY MAJOR OBJECT - Cont'd.
($ Amounts in Thousands)

		2016-17 Actual	2017-18 Available	2018-19 Budgeted	Change Budgeted vs. Available	Percent Change
FIXED ASSETS						
State Funds						
(1) CTS (10605)		$5,618	$3,378	$4,526	$1,148	33.98%
	Subtotals	$5,618	$3,378	$4,526	$1,148	33.98%
Federal Funds						
(1) JNET JFRS Mess Queue (80549)		$350	$0	$0	$0	0.00%
		$0	$0	$0	$0	0.00%
	Subtotals	$350	$0	$0	$0	0.00%
Other Funds						
Augmentations Itemized						
(1) IES (10605**400)		$3,113	$2,328	$2,276	($52)	-2.23%
(2) Shared (10605**500)		$219	$226	$226	$0	0.00%
	Subtotals	$3,332	$2,554	$2,502	($52)	-2.04%
Total Fixed Assets		**$9,300**	**$5,932**	**$7,028**	**$1,096**	**18.48%**
BUDGETARY RESERVE						
State Funds						
(1) CTS (10605)		$1,946	$0	$0	$0	0.00%
(2) CTS-MLF (10979)		$59	$170	$0	($170)	-100.00%
	Subtotals	$2,005	$170	$0	($170)	-100.00%
Federal Funds		$0	$0	$0	$0	0.00%
Other Funds		$0	$0	$0	$0	0.00%
Total Budgetary Reserve		**$2,005**	**$170**	**$0**	**($170)**	**-100.00%**
TOTAL FUNDS						
State Funds		$62,688	$55,602	$56,906	$1,304	2.35%
Federal Funds		$1,412	$815	$623	($192)	-23.56%
Other Funds		$49,240	$48,784	$205,625	$156,841	321.50%
Total Funds		**$113,340**	**$105,201**	**$263,154**	**$157,953**	**150.14%**

III. HISTORY OF LAPSES
($ Amounts in Thousands)

	2015-16	2016-17	Estimated 2017-18
State Funds			
(1) Commonwealth Technology Services (CTS) (10605)	$0	$0	$0
(2) Commonwealth Technology Services (CTS-MLF) (10979)	$74	$192	$0
Total	**$74**	**$192**	**$0**

IV. COMPLEMENT INFORMATION

	12/31/2016	12/31/2017	2018-19 Budgeted
Benefit Factor	65.65%	67.26%	70.26%
State Funded			
(1) Commonwealth Technology Services (CTS) (10605)			
- Authorized	354	1488	1488
- Filled	285	1404	n/a

V. DERIVATION OF REQUEST/ LEGISLATIVE CITATIONS

Derivation of Request
(A) Personnel

All personnel costs were prepared on the complement planning layouts in the SEM-BPS system using instructions and factors provided by the Office of the Budget.

(B) Operating Expenses

Operating Funds will be used for continuing activities to support the program mission.

(C) Fixed Assets

Fixed Asset Funds will be used for the purchase of computer hardware necessary to maintain the Commonwealth's IT infrastructure.

Legislative Citations:

Reorganized by Executive Resolution #OR-15-002, February 18, 2015.
Reorganized by Executive Resolution #OR-15-021, December 15, 2015.

Additional Information

(1) 2016-17 Obligations rolled forward to 2017-18
($ Amounts in thousands)

Total	$0

(2) 2017-18 Supplemental appropriation (10605) request
($ Amounts in thousands) $0

Date current appropriation will be exhausted: N/A

(3) Prior FY appropriations waived pursuant to Act 146 of 1980, used to support the 2017-18 appropriation.
($ Amounts in Thousands)

State Funds
1060513000	$252	IT Services Consolidation
1060500000 (BP 2015)	$81	IT Services Consolidation
1060500000 (BP 2016)	$5,137	IT Services Consolidation
Total	**$5,470**	

VI. EXPLANATION OF CHANGES
($ Amounts in Thousands)

	State $	Federal $	Other $	Total $
PERSONNEL				
A. Reduction of Complement	($1,004)	$0	($814)	($1,818)
B. Salary & Benefit Increases	$691	$0	$965	$1,656
C. Transfer of Staff	$1,491	$0	($368)	$1,123
D IT Shared Services Consolidation	$0	$0	$153,458	$153,458
Subtotal Personnel	$1,178	$0	$153,241	$154,419
OPERATING				
A. Increases to continue current programs	$1,557	$0	$0	$1,557
B. IT Shared Services Consolidation	($570)	$0	$0	($570)
C. Initiative to Modernize Operations	$0	$0	$7,543	$7,543
D. Decrease in Operating to cover contractual pay & benefits incr	($691)	$0	$0	($691)
E. Grant Ended	$0	($192)	$0	($192)
F. Elimination of Programs	$0	$0	($25)	($25)
G. I Transfers between Operating and Fixed Assets	($1,148)	$0	$52	($1,096)
H. Decease for Carry-forward	$0	$0	($3,918)	($3,918)
Subtotal Operating	($852)	($192)	$3,652	$2,608
FIXED ASSETS				
A. Enhancements for IT Infrastructure and Storage	$1,148	$0	$0	$1,148
B. Decrease in Fixed Assets to use in Operating	$0	$0	($52)	($52)
Subtotal Fixed Assets	$1,148	$0	($52)	$1,096
BUDGETARY RESERVE				
A. FY17/18 Budgetary Reserve	($170)	$0	$0	($170)
Subtotal Budgetary Reserve	($170)	$0	$0	($170)
TOTAL	**$1,304**	**($192)**	**$156,841**	**$157,953**

VII. PROGRAM STATEMENT

The *Office for Information Technology*—part of the Office of Administration managed by the Deputy Secretary for Information Technology who is the Commonwealth Chief Information Officer—is responsible for developing and administering statewide policies, and standards and practices governing management of the commonwealth's IT resources.

The Office for Information Technology develops and manages several operationally critical IT services leveraged by most state agencies including, but not limited to; the commonwealth's telecommunications systems, the computing network backbone, network security, the statewide email system, website platforms, and facilities that house servers and mainframe processors for the state's high-volume, mission-critical applications for public health, safety, welfare, transportation, and more.

The Office for Information Technology also manages the commonwealth's integrated resource planning system—known to many as the commonwealth's "SAP system" or Integrated Enterprise System (IES)—that efficiently standardizes common business processes across state agencies. The Office for Information Technology works directly with business owners from the Office of the Budget, the Department of General Services, the Department of Transportation, and the Office of Administration to continuously refine processes and achieve operating efficiencies. The Integrated Enterprise System team is preparing to migrate the commonwealth's HR, payroll, finance and other data in SAP to a new platform called HANA. This powerful, in-memory database will bring faster response, improved security and a foundation for next generation applications to the Integrated Enterprise System (IES). The migration is scheduled to take place over Memorial Day weekend 2018.

Shared Services Transformation / Delivery Centers – Effective 1 July 2017, all HR and IT employees were transferred to the Office of Administration, as part of the Shared Services Transformation project. Included in this project was the creation of six Delivery Centers (DCs) designed to provide HR / IT services organized along similar lines of business. Some services remain centralized under the Deputy Secretary for HRM and IT direction. The purpose of this reorganization is to take advantage of increased efficiency through resource consolidation (personnel, processes and technology).

The *Office for Information Technology* is responsible for developing and administering statewide policies and standards governing commonwealth's information technology resources and supporting several enterprise shared services.

The **Office for Information Technology** is comprised of the following areas:

The **Enterprise Technology Services Office (ETSO)** provides direction and guidance on the establishment of enterprise wide technology services. As such, the Office is responsible for the architecture, design & development, security, operational integrity, system support and maintenance across the bureaus engaged in providing mainframe systems support, server-class/distributed systems support, telecommunications, database design, software development, enterprise service desk, end-user compute, and shared IT services to all agencies in the commonwealth. The ETSO is responsible for delivering IT solutions with a focus on planning, directing, evaluating, and controlling the technical operations.

The **Enterprise Information Security Office (EISO)** establishes the commonwealth's cyber security strategy, standards, and enterprise cyber security posture. The high-level objectives of the organization are to prevent and defend against cyber-attacks on critical infrastructures, to reduce the commonwealth's vulnerability to cyber-attacks, to minimize damage and recovery time from attacks that may occur, and to continuously promote security awareness through education and information sharing thereby limiting risks and exposure.

Bureau of Enterprise Solutions (BES) offers enterprise backend client/server and web-based software and application development and support for OA and the Delivery Centers. It also provides augmented aid to the General Government Delivery Center OB, PHMC, PHRC, Governor's Office, Lt. Governor's Office, Office of the First Lady, Board of Pardons and OGC.

The **Office of Strategy and Management (OSAM)** provides direction and guidance on IT strategy, the annual strategic planning process, project management, performance management, OIT service portfolio health, service quality assurance, continual service improvement, financial management regarding the OIT services, IT policy, training and outreach. Its bureaus provide enterprise services related to the following areas: Project Management, Business Office, IT Service Management, Financial Management, and Contract Management.