



Virginia Information Technologies Agency

# Legislative Update

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Chief Information Officer of the Commonwealth

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**Senate Finance Committee**

September 22, 2011





## Topics for Discussion

- VITA finances
- Recommended Technology Investment Projects (RTIP) Report
- Enterprise applications
- Northrop Grumman's performance
- Update on Virginia School for the Deaf and Blind (VSDB)



## VITA Finances

- Closed FY11 with positive net income
  - First time in six years
- Treasury loan status
  - Repaid \$3M in FY11; \$37M still outstanding
  - Expect to repay additional amounts in FY12



## VITA Finances

- Rate actions in September resulted in agencies incurring an additional 1% charge, primarily attributed to:
  - Contractually mandated increase to cost of living allowance (COLA)
  - Amendment 68 – re-baselining
  - Surcharges (per rate) reduced as a result of increased IT usage; VITA's overhead did not increase



## Cost Saving Initiatives

- Managed services program with Computer Aid Inc. (12% savings)
- Comprehensive Information Technology Assessments (CITA; Appropriation Act)
- Telephone expense management (TEM; 8 – 12% savings)
- Procurement reforms (17 – 20% savings)



# Agency IT Spend, % of Budget FY11

## “Top 3” Infrastructure Spend by Secretariat

	FY11 VITA Invoices Total	FY11 Budget	VITA Invoices as a % of Budget
Health and Human Resources (HHR)	\$94,620,395.19	\$11,594,740,678	<b>0.8161%</b>
Public Safety	\$51,304,327.13	\$2,554,740,254	<b>2.0082%</b>
Transportation	\$77,077,875.34	\$4,123,850,932	<b>1.8691%</b>
<b>SUB-TOTAL “Top 3”</b>	<b>\$223,002,597.66</b>		
<b>TOTAL VITA – ALL CUSTOMERS FY11</b>	<b>\$301,564,917.33</b>		
<i>% of TOTAL VITA attributed to HHS, Public Safety, Transportation</i>	<b>73.9485%</b>		



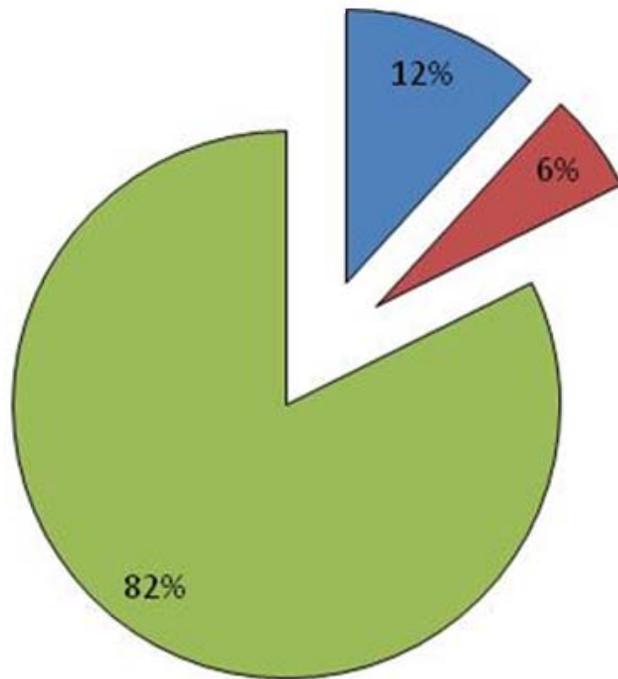
## What is the RTIP Report?

- The *Code* (§ 2.2-2007) requires CIO to submit annual list of recommended technology investment projects to the Governor, Secretary of Technology, Information Technology Advisory Council (ITAC) and Joint Commission on Technology and Science (JCOTS)
- RTIP includes:
  - Recommendations
    - For continued funding of active projects
    - For funding of new, approved projects
  - Project information
    - Project costs, and projected operations and maintenance (O&M) costs



# 2011 RTIP Recommended Projects

## Funding Sources



- Mixed: Two projects with a value of \$7,492,711
- General fund: One project with a value of \$1,500,000
- Non-general fund: 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.*



# IT Portfolio Snapshot – August 2011

## Total Categories 1, 2, 3

**44 projects**

**Value of \$815,482,061**

- **Approved for development**  
22 projects - Value of \$708,741,981
- **Approved for planning**  
15 projects - Value of \$69,383,830
- **Identified for preliminary planning**  
7 projects - Value of \$37,356,250

## Total Category 4

**156 projects**

**Value of \$ 73,126,648**

- **Approved for development**  
42 projects - Value of \$20,309,275
- **Approved for planning**  
50 projects – Value of \$22,279,593
- **Identified for preliminary planning**  
64 projects – Value of \$30,537,780



## Enterprise Initiatives

- GOAL: increase efficiency and productivity of state government
- Enterprise Applications
  - Enterprise ERP (Cardinal)
  - Performance budgeting
  - Time and Leave (TAL)
  - Commonwealth authentication services (CAS)
  - Enterprise data management (EDM)
  - Enterprise service oriented architecture (ESOA) platform



## Enterprise Initiatives

- New services
  - Collaboration (SharePoint)
  - Electronic workflow (CRM xRM)
  - Email archiving (Symantec)
  - Support for non-standard devices (i.e., non-BlackBerry handheld devices; Good Technology)
  - VoIP (UCaaS)
- Technology updates: Exchange 2010, Windows 07, desktop refresh, Office 2010
- Data center improvements: EMC, TimeFinder, NetQoS, more



# 2011 Agency Transformation Overview

Agency	Month Complete	2011 Completion	Agency Signoff?	Monthly Legacy Rate
DRS	Jan			
DGS	Apr			
DOC		Dec	Yes	\$24k
VDOT		TBD	Yes	
DOAV		Oct	Yes	
DFS		Dec	Yes	\$23k
DMV		Sep	Yes	\$43k
DMAS		TBD	No	
VEC		TBD	No	\$37k
VDEM		TBD	No	\$29k
VSP		TBD	No	\$76k



# Service Level Agreement Reporting

	June	July	August
<b>SLAs Reporting</b>	49	49	49
<b>G</b>	96%	98%	96%
<b>Y</b>	2%	0%	2%
<b>R</b>	2%	2%	2%

Legend



**Red--**  
Fail to reach target  
by > 10 %

**Yellow --**  
Fail to reach target  
within 10 %

**Green--**  
Met or exceeded  
target



## Overview of Recent Amendments

- Amendment 68, executed June 28, 2011
  - Addresses re-baselining, storage consolidation, billing adjustments
  - Was a factor in recent rate adjustment
- Amendment 66, executed Aug. 3, 2011
  - Adds payment terms for costs associated with international audio and data conferencing
  - Will result in increased costs if agencies use service
- Amendment 67, executed Aug. 8, 2011
  - Adds a special resource unit for hard-drive encryption of work stations
  - Will result in increased costs if agencies use service
- Amendment 69, executed Aug. 16, 2011
  - Adds non-BlackBerry handheld devices to messaging services
  - Will result in increased costs if agencies use service



## Challenges

- Northrop Grumman management
- Work requests
- CIA amendments
- Project management
- Data management
- PC refresh



## Update on VSDB

- July 22 – VSDB granted partial exemption from VITA for student and faculty PCs, and supporting network hardware
  - Exemption contingent upon ongoing adherence to applicable policies, standards and guidelines, such as Commonwealth security regulations
- VSDB had 178 student/faculty PCs and 16 administrative PCs from VITA
- Sept. 12 - 66 student/faculty PCs removed at VSDB's request
- Remaining 112 student/faculty PCs still in use
  - Likely will remain in use until VSDB replaces them
  - VSDB will retain 16 administrative PCs



## Current State of Technology

- Infrastructure
  - 90% complete, 80 of 89 agencies transformed
  - Uniform, consistent, reliable and secure
  - Data center improvements
- VITA organization
  - New governance model
  - Stable financials
  - Process of continuous improvement
- Enterprise applications and services
- Cost savings initiatives
- Operational improvements
- Ongoing challenges are being addressed
- APA audit
- Key supporting role in Hurricane Irene response



Virginia Information Technologies Agency



## Questions?

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Virginia Information Technologies Agency



# Appendix



# Agency Transformation Overview

Agency Name	Month	Desktop	Network	MDS	eSupport 1 and 2	Re-IP	HPOV	Remote Control	Helpdesk	Security
DMV	SEPT					9/30	9/30			9/30
DOAV	OCT			10/28	10/28	9/30 3 servers	10/15			10/28 onboard
DFS	NOV			11/30 UNITY	11/30	9/11 (40 total) HQ=31	9/11 (34 total)	11/30		11/30 VPN, ISG Proventia onboard
DOC	DEC			TBD	TBD					8/31 Bluecoat
VEC	TBD		HQ TBD	TBD (Novell)	TBD	TBD (53 servers)	TBD	TBD		TBD VPN, ISG Proventia onboard
VDOT	TBD			TBD mailboxes and server flips	TBD	4 DMZ (3-TBD 1-TBD)	TBD			TBD onboard
DMAS	TBD			TBD (awaiting email archive WR)	TBD (awaiting email archive WR)	9 servers go away after MDS and WRs complete		TBD (follows COV)		TBD Proventia onboard VPN
VDEM	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD		TBD
VSP	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD



# Enterprise Applications and Services

Application	Business Functions	Total Development Costs (Source)	Est. Annual O&M (Source)
Cardinal - Part 1 (VDOT) <i>Go-live: December 2011</i>	--General ledger --Accounts payable --Accounts receivable --Purchasing --Project accounting --Time and attendance/leave	\$50,706,927 (VDOT+WCA)	\$12,267,000 (FY 12--VDOT)
Cardinal - Part 2 (VDOT +DOA) <i>Go-live FY 2013</i>	--General ledger, --Accounts payable --Accounts receivable (cash receipts only)	\$7,465,360 (VDOT+WCA)	\$14,945,726 (FY 13--VDOT+GF)
Cardinal -Part 3 (All CARS agencies - online and interfacing) <i>Go-live—multiple phases in FY 14 &amp; 15</i>	--General ledger --Accounts payable --Accounts receivable (cash receipts only)	TBD (ISF)	TBD (ISF)



# Enterprise Applications and Services

Application	Business Functions	Total Development Costs (Source)	Est. Annual O&M (Source)
<b>Performance Budgeting</b>	Budget development (operating and capital) Budget execution Six-year financial/capital planning Strategic plans/performance Measures Agency spending plans	\$15,000,311 (WCA)	TBD (ISF)
<b>Time, Attendance and Leave (TAL)**</b> <i>Offered by DHRM</i>	Web-enabled TAL entry and data management	\$966,739 (PIF & GF)	TBD
<b>Business intelligence**</b> <i>Offered by VITA</i>	Software tools, hosting and support for: --Data analysis --Data visualization --Reporting	\$400,000 (WCA)	\$90,000 (ISF)



# Enterprise Applications and Services

Application	Business Functions	Total Development Costs (Source)	Est. Annual O&M (Source)
<b>Commonwealth authentication service (CAS)</b> <i>Offered by DMV in collaboration with VITA</i>	Software tools, hosting and support for: --Improved ID verification --Expediting citizens' access to services --Protecting against identity theft and fraud	\$ 3,658,726 (DMAS – 90% Federal funding from CMS; 10% state match)*	\$ 1,920,800 (ISF)*
<b>Enterprise data management (EDM)</b> <i>Offered by VITA</i>	Software tools hosting and support for: --Complex data matching logic <i>Is "John Smith" the same person as "Jonny Smyth?"</i>	\$ 5,339,520 (DMAS – 90% Federal funding from CMS; 10% state match)*	\$ 2,090,000 (ISF)*
<b>Service oriented architecture (SOA) platform</b> <i>Offered by VITA</i>	Software tools, hosting and support for: --Expediting connecting legacy applications to new services --Support sharing and reuse of Web services across agencies --Facilitating automation of business rules -- And more ...	\$ 4,371,520 (DMAS – 90% Federal funding from CMS; 10% state match)*	\$2,760,000 (ISF)*



# Enterprise Applications and Services

## \* Additional Funding Source Details

Funding Source for Projects: DMAS – Recent federal clarification on Health Information Technology (HIT) requires cost allocation to be used across HIT, Medicaid and CHIP programs

- Each project can have slightly different blended match rate; however, cost allocation does not appear to have a material effect on the overall 90% federal and 10% state match funding used in budget estimates for projects
- Future projects to replace the Medicaid/CHIP eligibility systems (for example ADAPT) have 90% federal and 10% state match funding available through 2015
- Other Federal programs supported in ADAPT, such as TANF and SNAP, have different match rates; if those programs are included with the Medicaid/CHIP eligibility system replacement effort, the blended rate would be around 75% federal and 25% state match



# Enterprise Applications and Services

## \*Additional Funding Source Details

Funding Source for Operations: Shared service billing to participant agencies

- For the Medicaid/CHIP program, operations currently reimbursed at 50% federal funding and 50% state funding match (not expected to change)
- The Department of Social Services also has different match rates for supporting other federal programs, such as TANF and SNAP, and uses federally approved blended rate that shares operational costs equitably among all of the federal programs including Medicaid