Office of Information Technology

Presented by

Department of Administration

Deputy Commissioner Sylvan Robb

Chief Information Officer Bill Vajda

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Why AO 284 and OIT

Why was AO 284 and OIT needed?

Lack of **Scale** and **Coordination** has led to inefficient IT spend and performance. This has been observed in:

- Duplication of investments
- Limited sharing of best practices
- Limited centralized view of spend
- Inconsistent vendor relationships
- Redundant and unsustainable operational costs
- Incompatible technical standards and operational complexities
- Increased cybersecurity and information protection risks
- Substantial workforce retention and development challenges

OIT – *Smarter Alaska*

Centralization enables *Scale* and improves *Coordination* and *Alignment* of business and technical requirements for *better, faster, cheaper, safer* outcomes
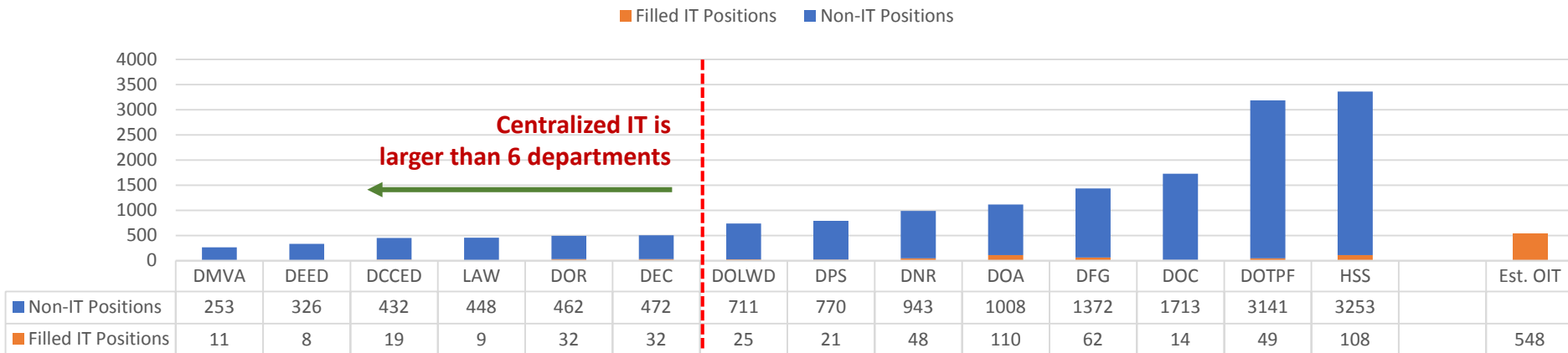
Strategy
- Link IT spending to measurable mission outcomes
- Treat technology portfolio as an investment
- Reduce redundant IT spending in SOA as a whole
- Establish SOA-wide centralized planning and investment control
- Centralize reporting relationships to reinforce desired practices
- Embed "Line of Business" solutions delivery within Departments
- Streamline processes to gain efficiencies
- Accelerate workforce skill development
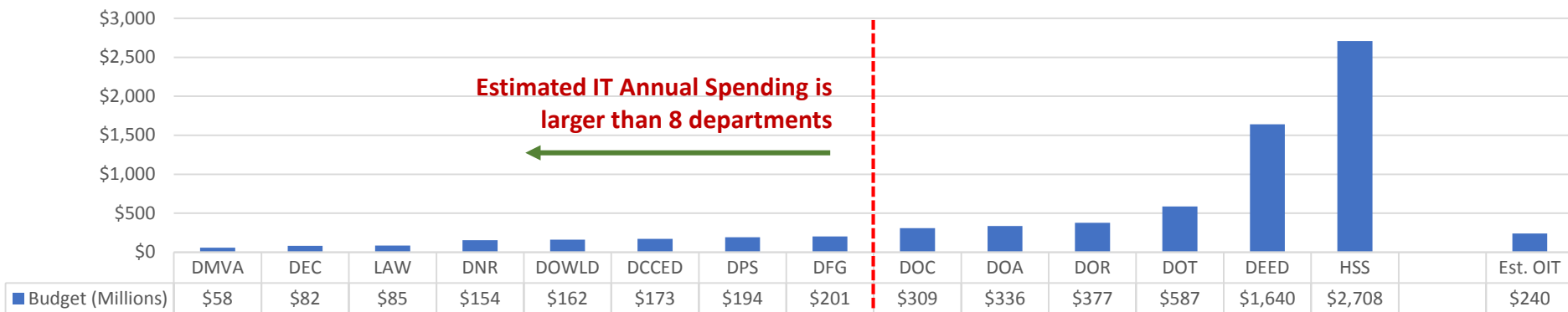- Ensure information security is implemented for all IT investments

The right IT, done right, at the lowest cost
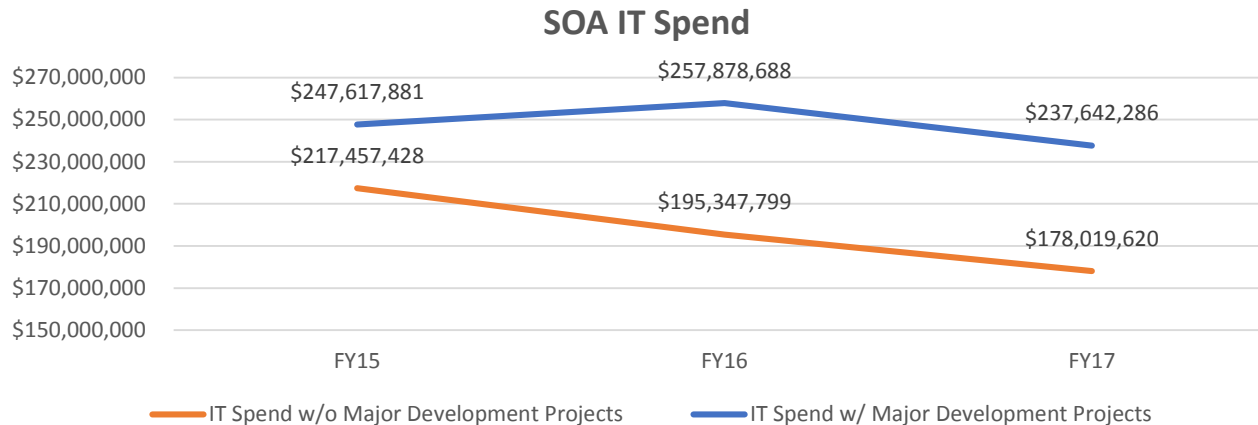
Scale and Coordination of SOA IT

SOA Executive Branch Filled Positions (FY17)

■ Filled IT Positions   ■ Non-IT Positions

Centralized IT is larger than 6 departments

	DMVA	DEED	DCCED	LAW	DOR	DEC	DOLWD	DPS	DNR	DOA	DFG	DOC	DOTPF	HSS	Est. OIT
■ Non-IT Positions	253	326	432	448	462	472	711	770	943	1008	1372	1713	3141	3253	
■ Filled IT Positions	11	8	19	9	32	32	25	21	48	110	62	14	49	108	548

Annual Budget Including All Fund Sources (FY17)

Estimated IT Annual Spending is larger than 8 departments

	DMVA	DEC	LAW	DNR	DOWLD	DCCED	DPS	DFG	DOC	DOA	DOR	DOT	DEED	HSS	Est. OIT
■ Budget (Millions)	$58	$82	$85	$154	$162	$173	$194	$201	$309	$336	$377	$587	$1,640	$2,708	$240

State of Alaska IT Spend

SOA IT Spend

Chart values:
- IT Spend w/ Major Development Projects (blue): FY15 $247,617,881; FY16 $257,878,688; FY17 $237,642,286
- IT Spend w/o Major Development Projects (orange): FY15 $217,457,428; FY16 $195,347,799; FY17 $178,019,620

IT Spend Categories

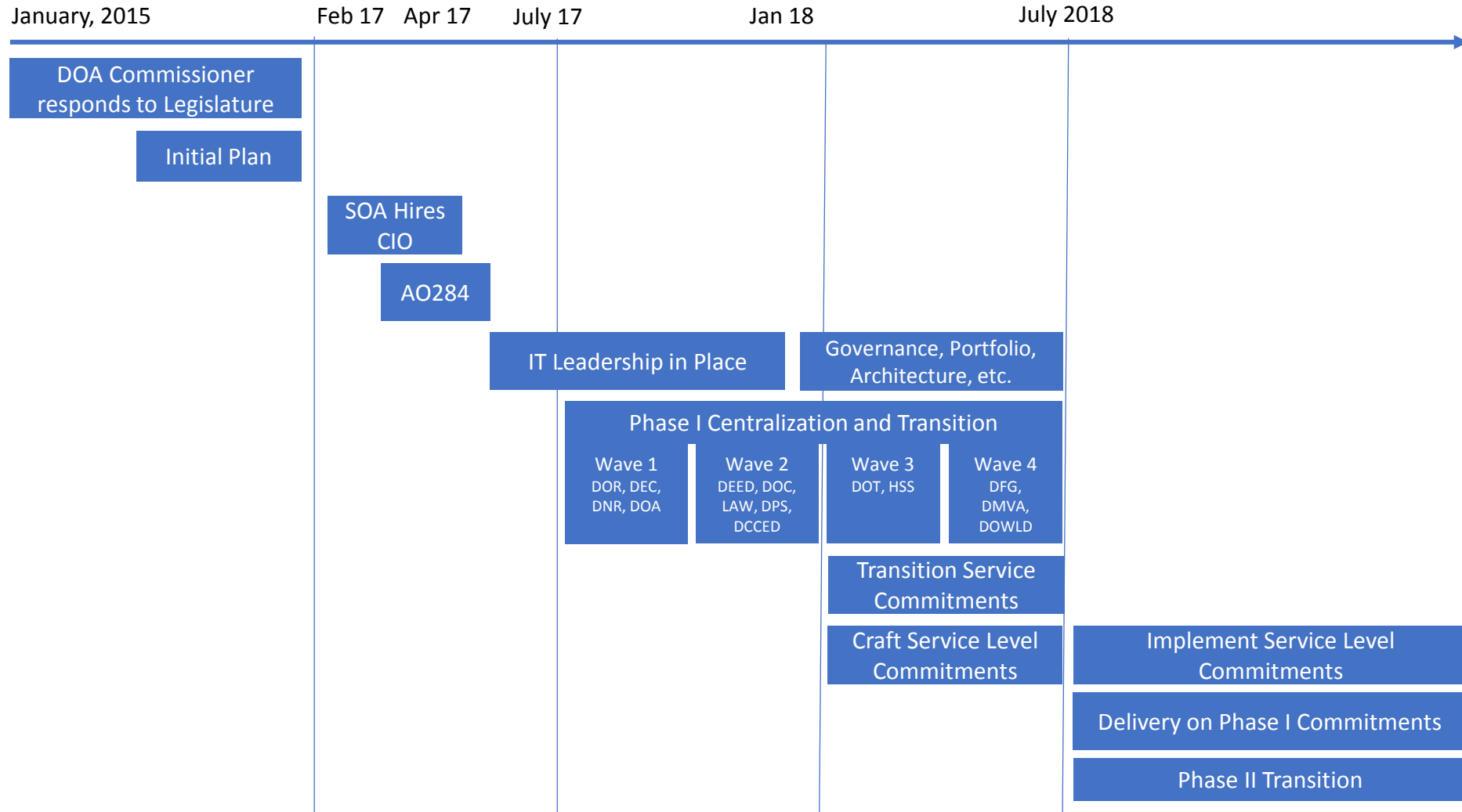|	FY15	FY16	FY17	Difference ($) FY15-17	Difference (%) FY15-17
Personal Services	$ 90,157,561	$ 83,907,046	$ 83,275,216	⬇ $ (6,882,345)	⬇ -8%
Travel	$ 955,431	$ 998,314	$ 560,350	⬇ $ (395,080)	⬇ -41%
Operating Total	$ 87,932,300	$ 68,151,047	$ 75,786,418	⬇ $ (12,145,883)	⬇ -14%
Capital Total	$ 37,583,748	$ 52,111,922	$ 27,567,547	⬇ $ (10,016,201)	⬇ -27%
Possible IT Expenses	$ 30,988,841	$ 52,710,359	$ 50,452,755	⬆ $ 19,463,914	⬆ 63%
Grand Total	$ 247,617,881	$ 257,878,688	$ 237,642,286	⬇ $ (9,975,596)	⬇ -4%

Achievements

First time State of Alaska has measured comprehensive year-over-year IT spend using consistent methodology.

FY18 will mark the first year SOA can report enterprise-wide IT spend from system of record.

FY15, FY16 and FY17 numbers presented on this slide are OIT Steering Committee estimates pending final review and adjustments.

OIT Implementation Timeline

Timeline axis: January, 2015 — Feb 17 — Apr 17 — July 17 — Jan 18 — July 2018

- DOA Commissioner responds to Legislature
- Initial Plan
- SOA Hires CIO
- AO284
- IT Leadership in Place
- Governance, Portfolio, Architecture, etc.

Phase I Centralization and Transition

Wave 1	Wave 2	Wave 3	Wave 4
DOR, DEC, DNR, DOA	DEED, DOC, LAW, DPS, DCCED	DOT, HSS	DFG, DMVA, DOWLD

- Transition Service Commitments
- Craft Service Level Commitments
- Implement Service Level Commitments
- Delivery on Phase I Commitments
- Phase II Transition

OIT Recent Accomplishments

Reforming the Business of IT

- OIT leadership team assembled without increasing the OIT budget.
- Phase 1 of OIT Staff Transition underway: Commodity IT Staff from DOA, DOR, DEC, DNR, DEED, DOC, DPS and LAW transitioned to the OIT. Staff from the remaining departments scheduled to transition by June 30, 2018.
- Alaska Strategic Partner Council (ASPC) established in coordination with Chief Procurement Officer. Representatives from 48 vendors have participated in these meetings since June.
- Created first year-over-year IT spending report and cost baselines to determine the current state of IT including expenditures, staffing, and operations.
- Implemented initial enterprise spend decision-making reforms aimed at eliminating spend redundancy and increasing cross-SOA coordination.
- Working with OMB to define budget models, funding strategy, and governing processes.

OIT Recent Accomplishments

Improving Security

- Cyber Awareness training deployed SOA-wide in FY18
  - **13,707** employees took cyber security training
  - **77,164** modules completed
- Initiated SOA-wide review of security practices, beginning with policies and procedures, and to include all SOA IT applications and resources against compliance requirements
- Added or renewed cyber partnership efforts with several national, state, and non-profit partners
- SOA signatory member of the National Governors Association (NGA) Cyber Compact

Bottom Line: SOA on path to better security posture.

Examples of Cost Savings and Avoidance

Definitions:

Cost Savings
Lower spending, investment, or debt levels reflected in the financial statements and next year's budget

Cost Avoidance
Costs that are avoided through specific preemptive actions

Title	Cost Savings	Cost Avoidance
Enterprise Webex Deployment		$200,000
OIT Travel Plan Reductions		$370,000
Reduced Mainframe Support	$450,000	
Restructured VM Ware licensing in Datacenter	$85,000	
Removed DB2 licensing from the mainframe	$250,000	
Reduced number of Spare Phones		$100,000
Reduced other licensing requirements	$128,000	

OIT Budget

Allocation or Service	FY19 Funding (in thousands)	Positions (Budgeted / Filled)	Alaskans Served	% Cost - Fees	Constitutionally Required	Federally Required	Statutorily Required
Entire Division	**$47,554.7 Total** $47,554.7 Other	220 FT / 198 Filled 1 PT / 1 Filled 2 NP / 0 Filled	All SOA employees & citizens using SOA online services	100%	No	No	
Chief Information Officer	$1,488.2 Other	8 FT / 7 Filled		100%	No	No	No
Alaska Division of Information Technology	$46,066.5 Other	212 FT / 170 Filled 1 PT / 1 Filled 2 NP / 0 Filled		100%	No	Yes-Security: IRS 1075 CJIS HIPAA	Yes: AS 44.21.020(9), (10), .150, .305-.390, 45.48

Questions?

For more information on Office of Information Technology services, priorities, or other issues, please contact:

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