

Department of Information and Innovation (DII) Internal Service Fund (ISF)

The Allocation: \$9,548,090 based on current and forecast needs and changes to shared services - The Department of Finance and Management (DFM) allocates the cost of common/shared technology services provided by DII across state government by headcount. For FY 2016 this cost is \$9.5M, down about 7% from FY2015. See FY2016 allocation explanation below.

Demand Services: \$14,556,184 estimated based on prior year consumption and known changes - Some business units purchase other non-common services from DII, and they pay for what they consume. These are called demand services and include server infrastructure, project management and enterprise architecture services, some security services, non-state employee email, desktop support, database administration, and non-common wireless access points.

Telephone Service: \$4,465,067 estimated based on prior year consumption and known changes - DII contracts with vendors to provide telephones. Charges are distributed per phone across the state including the consumption of that specific phone.

Mainframe Service: \$2,298,279 estimated based on prior year consumption and known changes - DII maintains an IBM mainframe and recovers cost of the service from AHS, AOT, the Tax Department, and others based on a consumption formula that includes Central Processing Unit (CPU) and storage utilization.

VISION/VTHR: \$4,153,978 estimated based on prior year consumption and known changes - DII provides infrastructure and licensing to the state Enterprise Resource Planning (ERP) system and recovers cost from the DFM and the Department of Human Resources (DHR). DFM and DHR add their cost to the DII cost and allocate the total across state government.

FY2016 Allocation Explanation

In accordance with 22 V.S.A. § 902a, an information technology internal service fund is used to support activities of the Department of Information and Innovation (DII). Part of the funding source of this internal service fund is referred to as the DII allocation. The FY 2016 DII allocation was calculated by spreading IT costs for shared services across state government based on the number of positions in each business unit. The allocation pays for:

- Email for state employees
- Internet and other network connectivity
- Microsoft Office Licensing for the standard edition
- Desktop/Laptop Windows operating systems
- SharePoint
- Service (Help) Desk
- Vermont.gov management
- Network Infection Detection
- Technology Contracting and Procurement support
- eSignature Software

The allocation for common services is down because of network and licensing savings, and we continue to shift some previously allocated services to demand based services. As your technical leaders know,

DII has transitioned to a “Private Cloud” service delivery model for data center resources such as virtual servers, storage, and backup recovery, and we are centralizing more server licensing, driving overall costs down. DII is working with business units to develop sustainable cost models based on both business and technical requirements.

It is important for business managers and technology supervisors to understand and collaborate on the impact of the allocation on budgets. If your unit has no technical support, please coordinate with DII.

As in previous years, if you administer your own email system, i.e. if your email address is not firstname.lastname@state.vt.us, you are effectively paying for two systems; the State email system and yours. To save money and take advantage of the economies of scale an enterprise system provides, we encourage you to migrate to the enterprise email system provided by DII. If not already on the migration schedule, feel free to contact DII to discuss the details.

For your Business Office

Each year, Finance and Management adjusts your budget target for the General Fund (GF) difference between the prior year’s DII allocated charge and the year you are currently budgeting. If your DII charge goes up by \$10, and your GF percentage is 60%, your target will be raised by \$6. Conversely, if your charge goes down by \$10, your target will be reduced by \$6. This year, due to the continued shift from allocated services to demand services, Finance and Management will consider cost differences in existing demand-driven services along with the cost differences in the allocation in determining your target. If you have any questions regarding this process, please contact your budget analyst.

