



AGENCY OF DIGITAL SERVICES

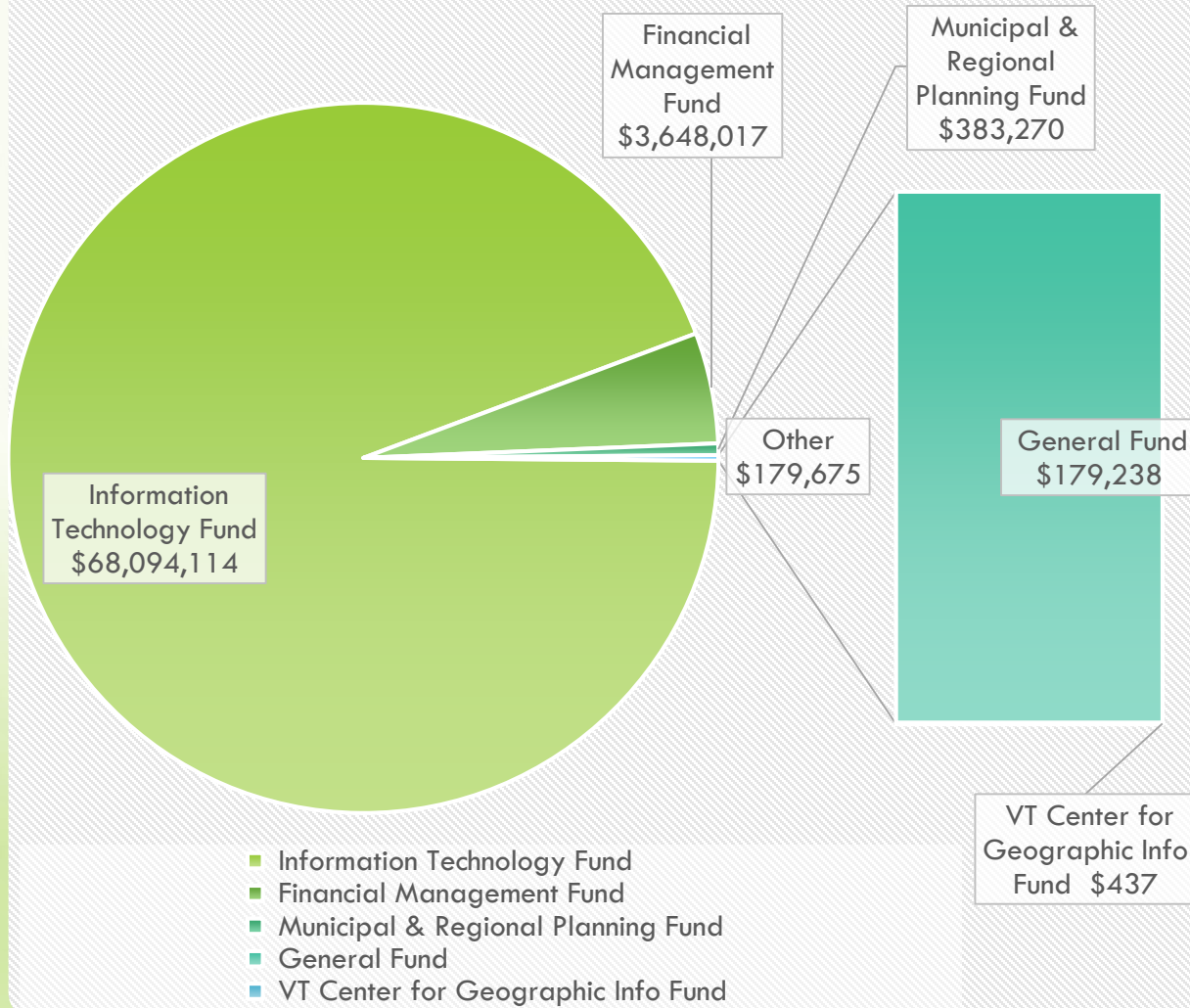
SFY2020 BUDGET REQUEST

February 1, 2019

John Quinn, Secretary

Kate Slocum, Chief Financial Officer

Governors' Recommend Budget SFY20



SFY 2020 SUMMARY & HIGHLIGHTS

- \$3.17M Identified as Statewide Savings or Cost Avoidance in CY2019, with an overall savings of over \$5.3M since the creation of ADS, [ADS Strategic Plan, January 2019](#)
- Total budget \$72,305,076
- 18 Exempt, 371 Classified Positions
- Leverage of Contracts/Systems
- Improved Resource Use Across State
- State of Vermont and the Norwich University Applied Research Institute (NUARI) Partnership Established
- Mainframe Outsource

Overview

NUMBER OF STAFF

389 TOTAL

9	DATA NETWORK
166	APPLICATION SUPPORT
12	IT FINANCE & ADMIN
23	HOSTING
41	END-USER SUPPORT
56	IT MANAGEMENT
9	IT SERVICE DESK
4	TELEPHONY AND COLLABORATION
8	SECURITY
52	PROJECT DELIVERY
10	GIS



Internal Service Funds	\$71,742,131
General, Special, Other	\$562,945



General Fund	\$179,238
VT Center for Geographic Info	\$437
Municipal & Regional Planning	\$383,270

OUR SERVICES

OFFICE OF THE CIO

Provides direction and oversight for all Information Technology, Data and Security services within the Executive Branch of the State of Vermont. Establishes policy and standards for Information Technology.

99.93%
Private Cloud Availability

1,010
Terabytes of Data

4,281
Taking Security Training

PROJECT MANAGEMENT

Provides project management, oversight and procurement services for Partner Agencies. Ensures IT projects are managed to accepted standards, proper stakeholder engagement and success.

207
of Projects

64%
Projects on Target

64%
Projects New Initiatives

36%
Maintenance Projects

AGENCY SUPPORT

Embedded ADS staff with our Partner Agencies. Provide day-to-day support of users, applications and enhancements. Ensure technology investments meet the needs of Agencies and align with IT direction.

1,463
Applications Supported

11,167
PCs Supported

267
Embedded Staff

SHARED SERVICES

Through economies of scale provides IT services for Partner Agencies in the areas of Email, Collaboration, Mainframe, ERP, Networking and desktop support.

99.98%
Email Availability

11,445
Microsoft Accounts Managed

96.17%
Customer Satisfaction

7,425
VOIP Lines Supported

\$72,305,076
TOTAL FY REQUEST

4.36M
CYBER THREATS
BLOCKED

1,082,560
VIC ONLINE
TRANSACTIONS

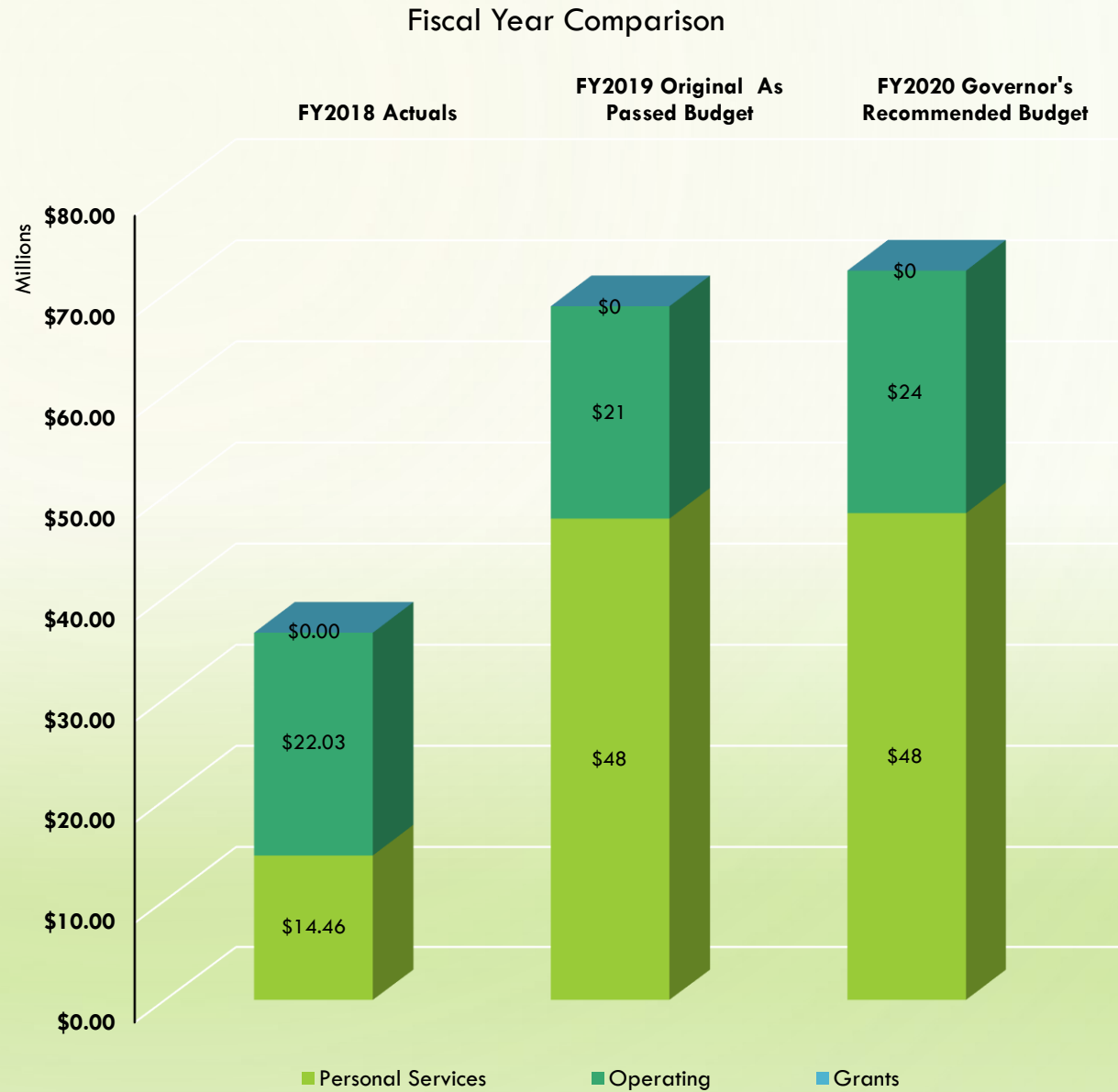
52,639
LANDESK TICKETS

\$5,310,124
SAVINGS TO DATE



PROPOSED ADS SFY20 BUDGET

- \$3.5M Overall Increase:
 - Cyber Security Investments
 - Fee for Space Increase
- \$72M Focuses On
 - People
 - Enterprise Systems
 - Cyber Security



CHALLENGES/HURDLES



- Aging Technology & Infrastructure
- Unanticipated Need for Administrative and Financial Resources
- Governance/Prioritization

STRUCTURE - INTERNAL SERVICE FUND

In order for us to do this we need resources which translates into funding. In conjunction with Finance & Management we came to the conclusion an Internal Service Fund (ISF) model would be in the best interest of the state. The nature of an internal service fund requires allocation of the costs through the Billing Module. This fund is managed by the Agency of Digital Services (ADS) (formerly Department of Information and Innovation (DII)) and bills for services provided via five payment mechanisms: DII Allocation, Service Level Agreement (“SLA”), Telephony/VOIP Charges, Quarterly Timesheet Billing and Bespoke Charges charged back to departments on a 1:1 for basis. (i.e., Bespoke charges are billed to customers what was charged to ADS by the Vendor.)

How do we distribute our costs?

- ADS Allocation
- ADS SLA (Hosting, Enterprise Application Support, Enterprise Licensing)
- ADS Timesheets
- Telephone/Collaboration Billing (Cost Per line + Markup for People and Non-People, ACD Charges covered in the SLA)
- Bespoke Charges (Billed back as order is placed and paid by ADS - on a cash basis - on a 1:1 for basis)

STRUCTURE - INTERNAL SERVICE FUND, ALLOCATION

Annually, the allocation is calculated for each department by spreading IT costs for shared services across state government based on the number of positions in each budgeted appropriation. Charges include Software, Hardware, People Costs (with respective overhead), Contractual Services, and the Connectivity with a FY20 Allocation of \$11.5M.

- Internet and other network connectivity
- Video Conferencing (Skype for Business)
- Mobile Device Management
- File storage
- Desktop/Laptop Windows operating systems
- Service Desk
- Vermont.gov management
- Technology Contracting and Procurement support
- eSignature Software
- Firewall, VPN and secure certificate services, support and maintenance
- Internet border intrusion detection and prevention
- Incident handling consultation and facilitation
- Enterprise Project Management Office (EPMO) administration/Legislative Reporting
- Penetration testing and vulnerability assessment
- Staff involved with Security, IT Service Desk, IT Finance & Administration, GIS Professionals and Data Network professionals

STRUCTURE - INTERNAL SERVICE FUND, SLA

Many business units purchase specific services from ADS and are billed for what they consume under the SLA Billing Model. This billing is estimated annually based on a prior year reconciliation of actual costs and consumption against planned budget and known changes specific to the department's need or request. The following services are found within the SLA model:

- Telecom ACD
- Private Cloud
- Desktop Support
- Mainframe
- Enterprise Application Services
- GoToAssist Licenses
- Department Specific Security Services
- ERP Technical Services
- Enterprise Application Licenses
e.g. Adobe, Microsoft
- Enterprise Application Support

STRUCTURE - INTERNAL SERVICE FUND, TIMESHEET DEMAND

For project specific staff resources, ADS bills out to its customers based on a Federally approved rate.

Staff which are classified as follows are captured within this rate structure:

- Enterprise Project Management, Enterprise Architecture, Security, are billed out at \$88/hour
- Non-Enterprise Application Support are billed out at a rate of \$84 per hour



These rates are calculated using currently budgeted costs divided by an estimate of hours available (1412) to bill during the fiscal year. The inputs to the rate include 3 items:

We take total hours available in a year

- Total Hours (2080) and deduct sick, leave, vacancy savings, training and staff meetings

The Estimated salary and benefits from the budgeting system (Vantage)

- Salaries & Fringe Numbers

The Indirect Costs associated with the Staff assigned to the ADS Timesheets

- Indirect & Overhead

STRUCTURE - INTERNAL SERVICE FUND, TELEPHONY AND BESPOKE



Telephony/Collaboration/VoIP: The telephony/collaboration rate is established by statute for the analog/centrex lines by taking the cost per lines and charging a markup of 11.5% for the amounts paid to vendors whom we paid for the service. The VOIP rates are established in conjunction with Finance & Management and are currently across 3 service options (Standard, Foundation, and Essential) that are dependent on the phone type on the users work station. These rates are established to charge the cost ADS pays to the vendor with a markup that covers the implementation costs of the VOIP project, replacement cycle for the phones, staff time to support the service, and any ancillary software, hardware, and contractual services.

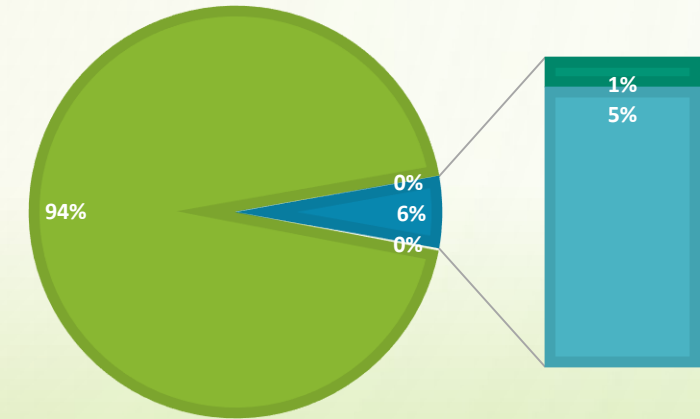
Bespoke Charges; Certain costs are required to be billed back on a [bespoke](#) basis (Hardware and other end-user devices, Software, Independent reviews, other contractual services, specific training related to projects/systems, hardware outside the SLA charges, Wireless Access Points, and telephony equipment associated with ACD).



SFY20 Recommend By Fund

10000	General Fund	179,238
58100	Internal Service Fund – Information Technology	68,094,114
59300	Internal Service Fund – Financial Management	3,648,017
21328	Special Fund – VT Center for Geographic Information	437
21330	Special Fund – Municipal & Regional Planning	383,270
Total Budget		72,305,076

PROPOSED ADS SFY20 BUDGET FUNDING SPLITS



- General Fund
- Information Technology Fund
- VT Center for Geographic Info Fund
- Municipal & Regional Planning Fund
- Financial Management Fund

PERFORMANCE MANAGERMENTS PROGRAM, RBA

Since becoming an agency, ADS has developed a performance management program that ensures that leadership and operations alike understands if we are making progress towards our goals.

- Data-driven decision making processes have allowed ADS to recognize challenges across the State and allocate available resources in a manner that mitigates issues before they become crisis.
- The robust approach to measuring progress has been an important ingredient of the early successes the Agency has achieved, including being ahead of schedule on some of the strategic goals we established for 2020.

EG: 8% increase in online transactions from 2017-18 (target 10% by 2020).

- Participating in the Programmatic Performance Based Budgeting program. (Numbers below as reported)

Performance Measure	2015	2016	2017	2018
Email Availability	99%	99%	99.99%	99.99%
Customer Service Satisfaction	94%	93%	97%	97%
Data Center Availability	95%	99%	99%	99%