

Appendix E – 2021 IT Spend Trend Analysis FY2008-FY2021

Historically, the IT Spend Trend analysis was performed using four categories of data. Data used in three of the IT Spend categories were from Cardinal, provided to VITA by the Virginia Auditor of Public Accounts (APA): VITA Infrastructure and Telecommunications, IT Payroll associated with Operations & Maintenance, and Non-Payroll spending associated with Operations & Maintenance. The fourth category is IT Project data, extracted from the Commonwealth Technology Portfolio application (CTP).

Effective beginning in fiscal year 2021, IT Payroll expenses were not reported separately due to a change in Cardinal account codes, as communicated in *DPB Report: Chart of Accounts Changes* (July 9, 2020).

Exhibit 1 shows IT project dollars spent on new investments for fiscal years 2008 through 2021. These cost figures were taken from the data reported by agencies on the Commonwealth IT Projects Dashboard each month. FY2021 was higher than the recent, previous years (with the exception of 2011) because of expenditures related to the Department of Accounts (DOA) Cardinal Statewide Human Capital Management project, the Department of Medical Assistance Services (DMAS) Medicaid Enterprise System (MES) Fee for Service and Core Processing project, and the Infrastructure and Subscriber Upgrade project for the Virginia State Police (VSP) Statewide Agencies Radio System (STARS). These three projects had combined expenditures of \$75,673,818 during FY2021.

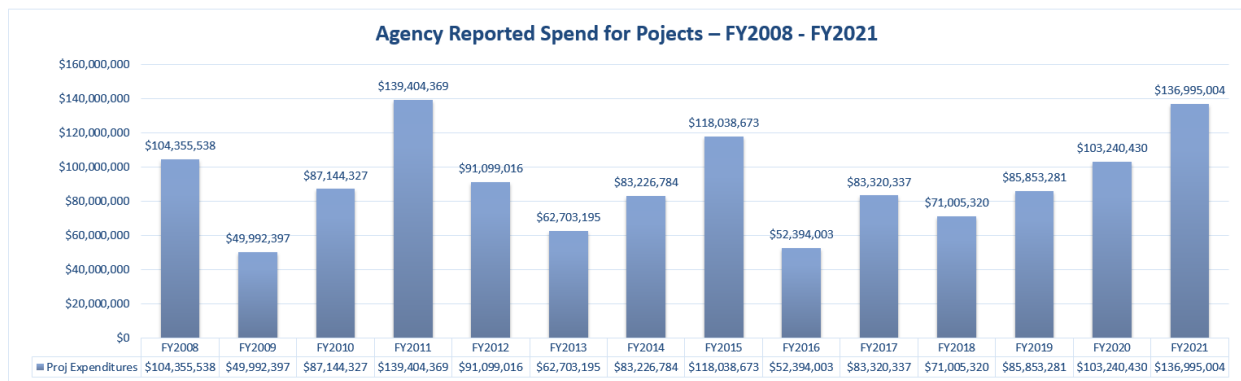


Exhibit 1: IT project dollars spent on projects in FY2008-2021 by Executive Branch agencies under oversight and governance.

Overall IT expenditures for Executive Branch agencies for FY2008 through FY2021 can be seen in Exhibit 2, which shows the breakout between VITA infrastructure & telecommunications, agency project spending under oversight and governance, and ongoing operations and maintenance (O&M) over the period of fourteen fiscal years. These expenditures do not include the state’s independent agencies and authorities, higher education entities, or Judicial Branch and Legislative Branch agencies. The data for each of these fiscal years are from year-end reports from the state accounting system of record—Commonwealth Accounting and Reporting System (CARS) through FY2016 and Cardinal beginning FY2017—and are provided by the Auditor of Public Accounts (APA). In the past, agencies have not reported against baselines for projects of less than one million dollars on the Commonwealth IT Project Status Report Dashboard or in CTP. Accordingly, VITA does not have a method for determining dollars spent

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in a given fiscal year for those projects. These dollars are embedded within the O&M category at this time.

Formerly CARS, and now Cardinal captures agency-reported data, making spend numbers wholly dependent upon accurate coding of expenditures by agencies.

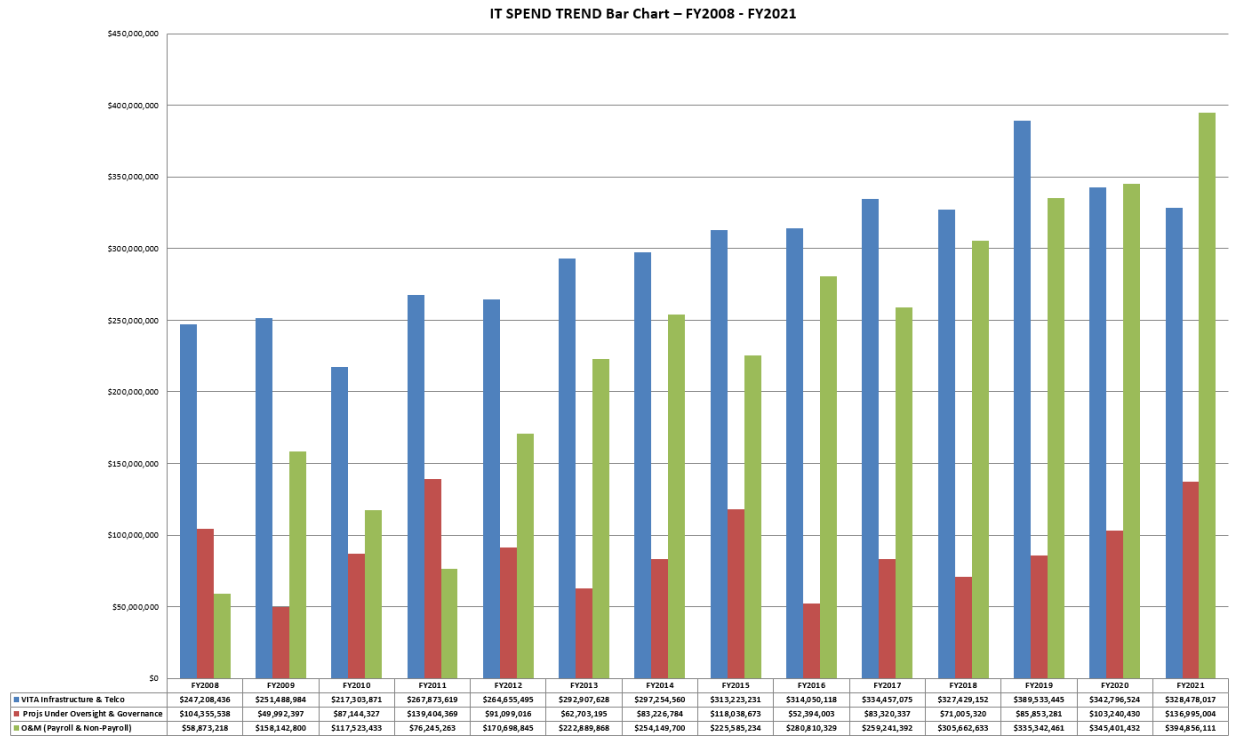


Exhibit 2: IT spending trend for FY2008 through FY2021 for In-scope Executive Branch agencies

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Exhibit 3 below shows expenditure breakouts by percentages for each category for FY2021 only.

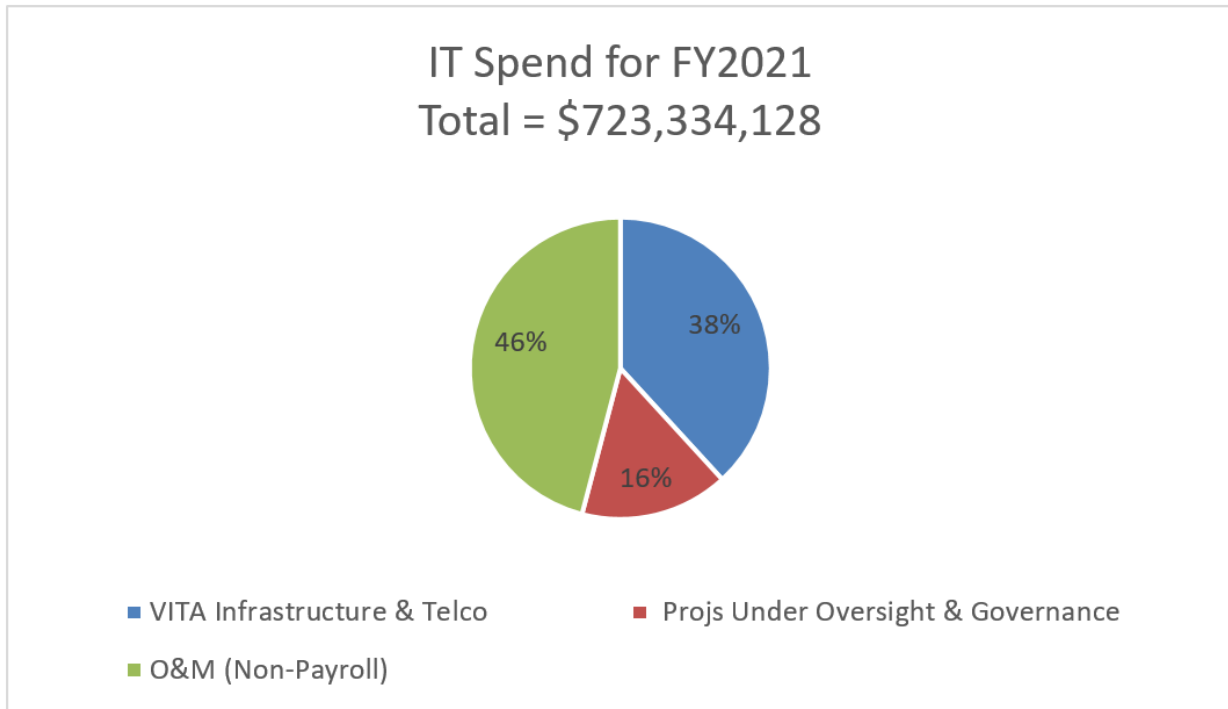


Exhibit 3: IT Spend for FY2021; total equals \$723,334,128

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The IT Spend Trend line graph below (Exhibit 4) shows that VITA Infrastructure & Telco costs generally increased gradually and increased more significantly in FY2021. This increase is estimated to be related to completing the transition from the previous single-source servicing integrator to the current multisourcing servicing integrator (MSI).

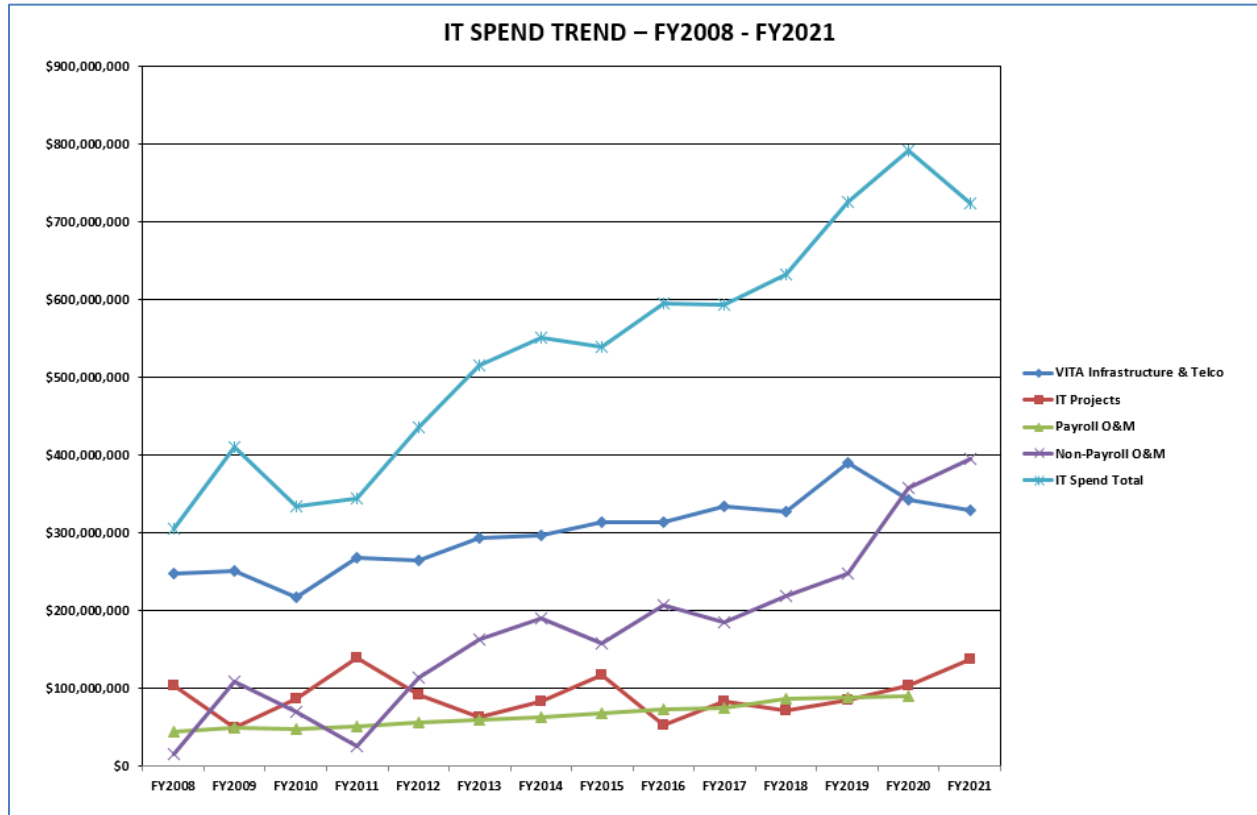


Exhibit 4: IT spending trends for FY2008 through FY2021 for In-scope Executive Branch agencies (Note: Beginning FY2021, Payroll O&M was not reported separately in Cardinal.)