



VITA Update

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**House Appropriations Subcommittee on
Technology Oversight and Government
Activities**

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VITA's Mission

Provide a more business-like approach to the management of IT services across the enterprise of state government

VITA is a service organization

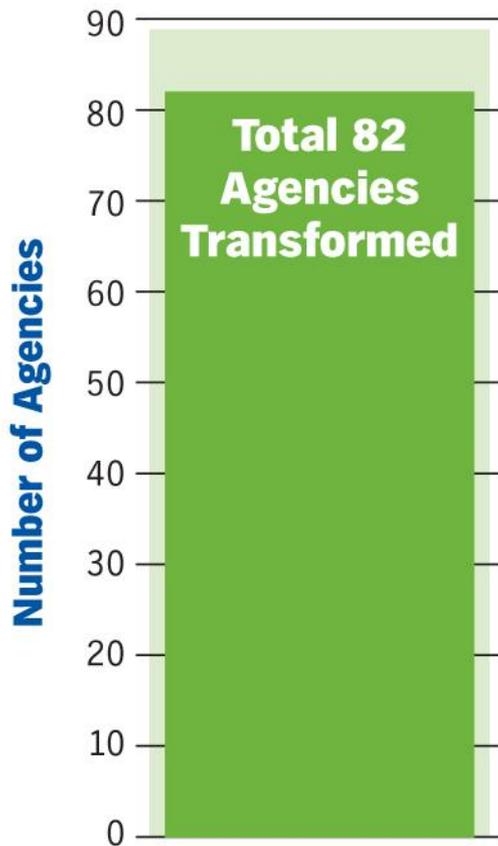
"We Enable the Business of Government."



VITA – Statutory Span of Control

- Infrastructure services
- Project oversight
- Information security
- Supply chain management
- Standards & best practices
- Enterprise applications
- Wireless E-9.1.1, VGIN, VI, contingent labor

Current State of IT Management



- Transformation
 - Critical mass achieved
 - Standard, reliable and secure
- Remaining agencies:
 - DOC, VDEM, DFS, DMAS, VDOT, VSP, VEC
- VITA organization
 - Stable financials
 - Improved processes and metrics
 - APA Audit

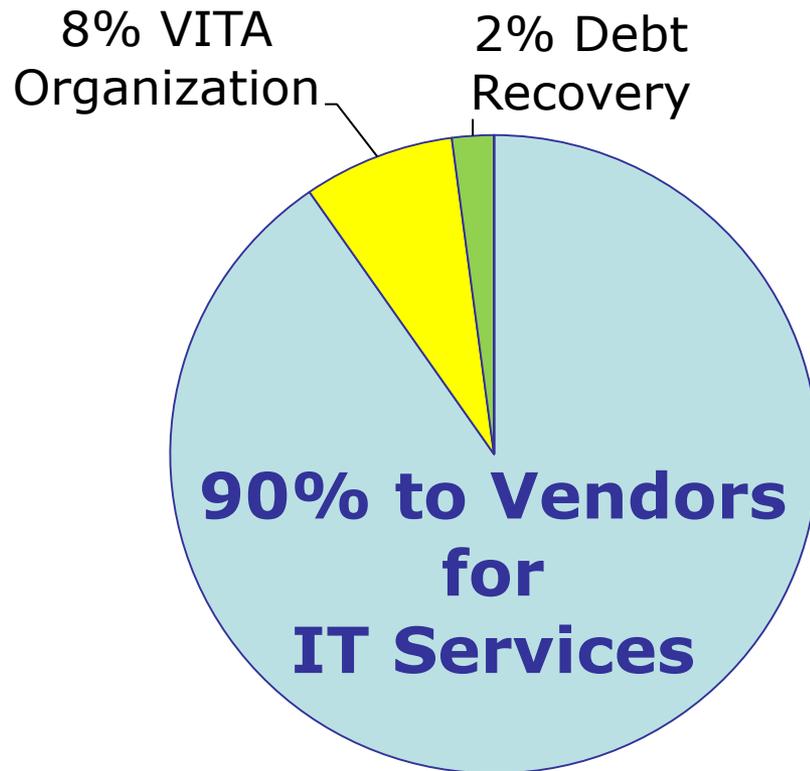


VITA and Technology Innovation

- Initiatives to reduce costs and improve agency productivity
 - Enterprise Projects
 - Comprehensive Information Technology Assessments, Wireless usage audit
 - Solutions to increased productivity
 - Technology upgrades
 - Virginia.gov re-design
 - Governor's Reform Commission



VITA Cost Recovery in FY11



VITA is primarily an Internal Service Funded (ISF) agency

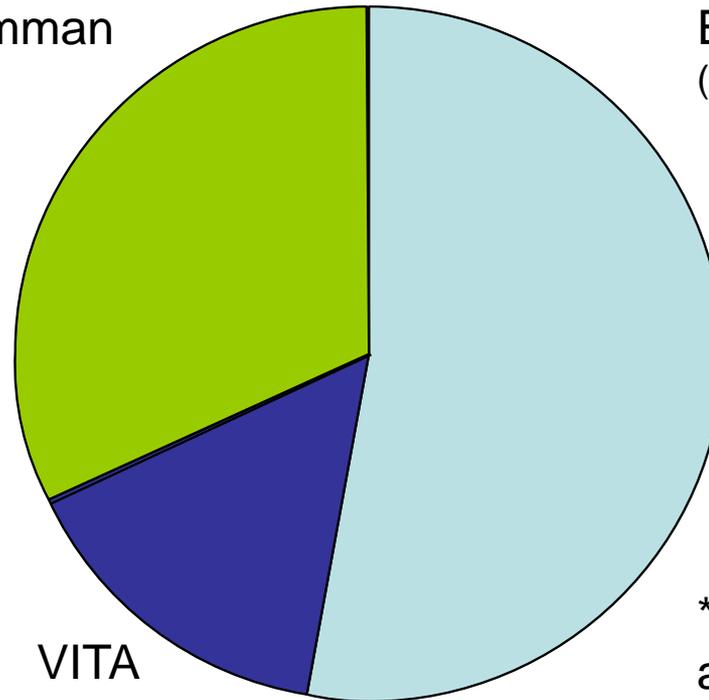
VITA's ISFs are overseen by JLARC

90% of VITA cost recovery is to pay vendors for agency consumption of IT services

Distribution of CoVA IT Workforce

Northrop Grumman

Executive Branch *
(excl. higher education)



VITA

*Agencies are responsible for applications and non-supported services.



VITA – Payments vs. Cost Recovery

The story behind VITA's path toward financial stability

FY	VITA Expenses 90% Vendor payments (\$ millions)	VITA Cost Recovery (\$ millions)	Profit/Loss (\$ millions)
2010	289	257	-32
2011	298	304	6



Components of VITA Cost Recovery

Cost Component	Amount (\$ millions)
Baseline IT services (2005 levels & types)	236
Service Growth & Non-NG teleco (Verizon, Sprint)	15
New services since 2005 (wireless, storage, etc)	11
Legacy fees for non-transformed agencies	4
Contractually-required COLA	9
VITA organization costs (down 15% from FY10)	23
VITA Treasury loan payment	6
TOTAL Costs (FY 11)	304*

* Includes \$18 M in local govt. & higher ed. telco



VITA Costs Are Typically 2% of Budgets

Secretariat	FY11 Agency Budget	FY11 VITA Invoices Total	VITA Invoices as a % of Budget
Health & Human Resources	\$11,594,740,678	\$94,620,395	0.82%
Public Safety	\$2,554,740,254	\$51,304,327	2.00%
Transportation	\$4,123,850,932	\$77,077,875	1.87%
	\$18,273,331,864	\$223,002,597 *	1.22%

* Top 3 account for 74% of VITA invoices

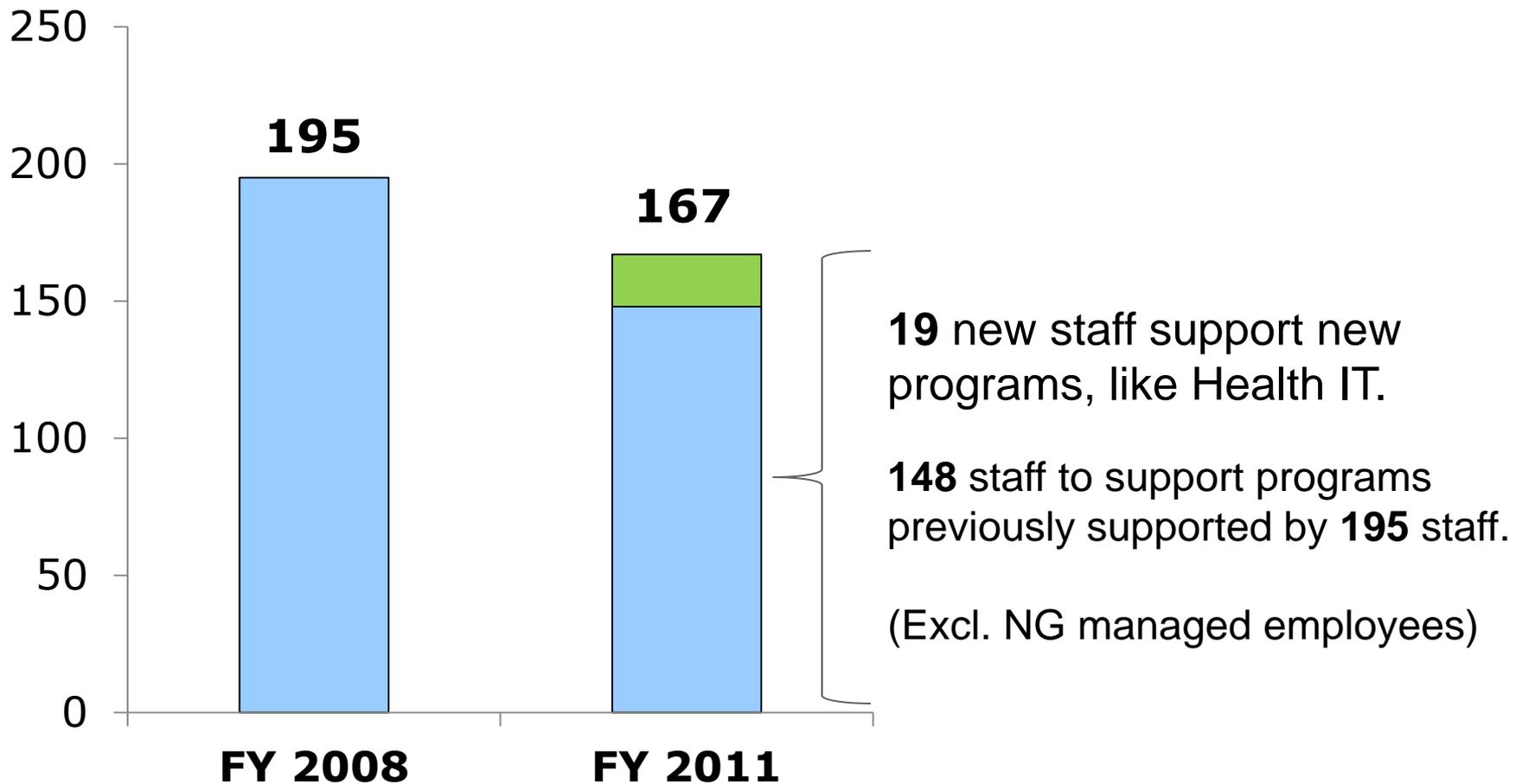


VITA Retained Organization

- 15% cost reduction since June, 2010
 - Primarily due to net staffing reductions
 - Agency personnel & other costs equal \$23 M
- HB 30 contains additional 6% reduction in VITA's costs
- VITA must pay down Treasury loan
 - \$6 M recovered annually through rates over four years. Represents 2% of VITA cost recovery.



VITA Staff 15% Smaller As Programs Grew





Agency IT Projects contribute to IT spend (Nov 2011)

Categories 1,2,3

51 projects

Value of \$448,153,627

- **Project Initiation Approval**
25 projects - Value of \$338,614,018
- **Investment Business Case Approval**
19 projects - Value of \$72,183,359
- **Identified for Preliminary Planning**
7 projects - Value of \$37,356,250

Category 4

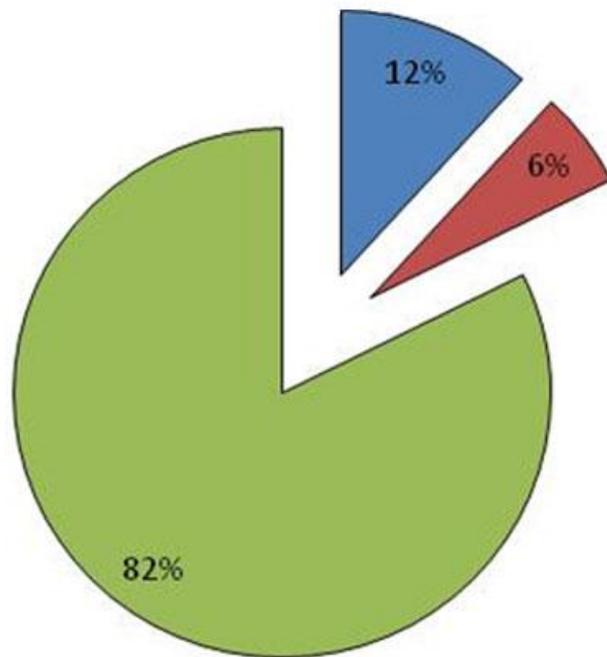
153 projects

Value of \$ 71,010,238

- **Approved for Development**
40 projects - Value of \$19,415,093
- **Approved for Planning**
49 projects - Value of \$21,057,093
- **Identified for Preliminary Planning**
64 projects - Value of \$30,537,780

Majority of IT Projects Are NGF

Funding Sources



 Mixed: Two projects with a value of \$7,492,711

 GF: One project with a value of \$1,500,00

 NGF: 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.

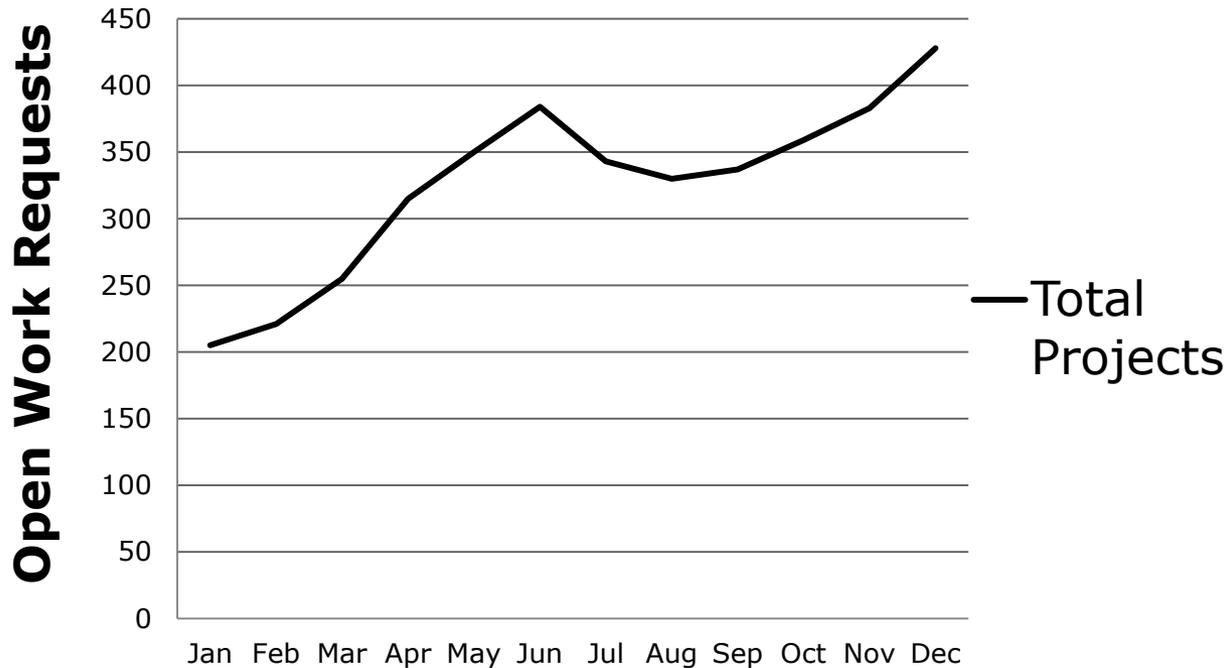


Examples of Active Major IT Projects

Agency – Project Name	Amount
VEC Unemployment Insurance Modernization	\$58,540,155
VDOT Cardinal Project (Phase 1)	\$58,337,353
DOC Phase 2 & 3 Correctional Info. Sys. (CORIS)	\$23,093,458
DSS Automated Child Care Subsidy Sys.	\$20,364,802
DPB Performance Budgeting	\$15,000,313
DOE State Longitudinal Data Sys.	\$13,522,897

Agency Service Requests Increased

Work Request Growth in CY 2011





Challenges

- IT Security (121M attacks in CA2011)
- VITA “mythology”
 - IT infrastructure as a fully-managed service, cost recovery
- Customer service
 - Perception vs. reality (work requests, help desk, SLAs)
 - Work requests for custom services can lag
- Enterprise Apps - program management
- Legacy applications
 - CARS, PMIS, ADAPT, many others
- Evolution of NG relationship
 - Technology innovation, new technologies
 - CIA under continuous change
- VITA Organization
 - 2nd oldest employee base in CoVA



Questions?

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