FISCAL TOPICS

Fiscal Services Division

January 8, 2025

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OCIO Internal Service Fund

Background

The Department of Management (DOM), Division of Information Technology (DOM DoIT), formerly the Office of the Chief Information Officer (OCIO), OCIO Internal Service Fund supports the centralized information technology (IT) operations for the State of Iowa and is funded from billings to governmental entities for service rendered by the Division as provided in Iowa Code section 8.92.

Services

The DOM DoIT provides IT support and services to participating Executive Branch agencies in a centralized manner to maximize the efficiency of IT operations across State government. Services include business services, consulting services, desktop computing, enterprise applications, information security, mainframe support, network support, printing services, server and data center services, service desk services, and storage. Under Iowa Code section 8.80, participating agencies include all State agencies except for the Board of Regents and institutions operated under the authority of the Board of Regents.

Rates

The DOM DoIT sets rates on an annual basis for the upcoming fiscal year based on forecasted costs and usage for each service area. Costs for each service include:

- **Payroll —** Allocated based on the employee time for each service
- **Vendor invoices for IT goods/services** — Allocated based on coding of invoices paid to each service
- **Overhead** — Allocated to each service based on the amount of revenue each service is projected to generate
- **Other miscellaneous fees/charges**

The rates are determined by dividing the total costs for each service by the utilization, or estimated usage, for the service forecasted for the next fiscal year. The two methodologies to calculate service utilization are:

1. **Estimated Usage** — how much of a service all agencies utilize and how many units of services they will be charged (i.e., hourly rate, number of network ports, etc.).
2. **Headcount** — the position count is the average number of filled permanent full-time and part-time positions for five consecutive quarters provided to the Division and calculated by the Department of Administrative Services.

A rate for a particular service is the same for all agencies. Annually, the DOM DoIT conducts research for rate recommendations, then submits its annual rate recommendations and agency impacts to the DOM for approval. The number of IT service rates has been consolidated over the years. Between FY 2019 and FY 2024, the number of rates decreased from 72 to 40. There were no changes in rates in FY 2023 or FY 2024.

Fund Revenues
Figure 1 provides the annual revenues to the OCIO Internal Service Fund for FY 2020 through FY 2024.

Figure 1 — OCIO Internal Service Fund Revenue

Fiscal Year	Receipts	Balance Brought Forward	Total
2020	$ 77,210,746	$ 5,051,491	$ 82,262,237
2021	127,011,867	9,242,072	136,253,939
2022	97,507,008	29,350,536	126,857,544
2023	87,933,485	24,358,474	112,291,959
2024	97,069,635	22,667,480	119,737,115

Related Statutes
Iowa Code section 8.92

Doc ID 1462068