State Government Efficiency Review Committee

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Major Technology Enhancements

Platform	Enhancement	Benefit
Cloud Services with Google, Microsoft, and Amazon	Contracts established by OCIO now offer agencies the ability to use major cloud services to reduce risk and cost	1. Increased security 2. Reduced capital exp. 3. Increased availability
Desktop Support with Insight Public Sector	Desktop support is now provided by Insight public sector for 3,144 employees in the executive branch.	1. 20% reduction in costs 2. Increase service levels 3. 24x7 live phone support 4. Statewide onsite support
Security Operations Center	In October 2017, OCIO unveiled a new Security Operations Center	1. Real time analytics 2. Multiple shifts for enhanced support 3. Alerting and monitoring
Website services with Webspec Design	Drupal sites are now managed centrally on a fixed price basis, replacing fee-model	1. Significant cost reduction 2. Cost transparency 3. Award winning websites

Information Security

New Cybersecurity Strategy Issued in 2019

State of Iowa Cybersecurity Strategic Plan

JULY 2019

Goals Established

1. Increase Identification of threats
2. Provide tools for prevention of threats
3. Reduce exposure and risk
4. Improve collaboration
5. Train and increase awareness
6. Explore Funding
7. Establish Analytics and Metrics
8. Enhance Communication
9. Develop a cybersecurity workforce

In 2019, reduced our exposure to known potential threats as the average **vulnerability score decreased by 40%** for both OCIO and the Enterprise.

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Technology Maintenance & Upgrades

In FY20, OCIO conducted a survey of state agency technology enhancements and upgrades

23 Agencies Responded

573 IT Systems Identified*

$91,310,702 For Annual Support Costs Reported**

Average reported age of systems is 9 years old***

* Some responses combined multiple systems, this number is likely higher

**Some responses did not include annual operating expenses, this number is likely higher

***System age not reported or discernable for some responses

Technology Maintenance & Upgrades

Major trends that are affecting the need for upgrades

Aging Systems	9 year average age suggests many systems are in need of overall lifecycle replacement
Changing Requirements	As program requirements change, systems must be routinely updated to address changes in law, rule, etc.
New Technology Needs	IT hardware and software vendors routinely update products requiring reinvestment and upgrades (e.g. Microsoft Windows 7 to Windows 10)
New User Needs	Citizens increasingly expect to interact with government using new technology platforms (e.g. mobile devices)

OCIO Emerging or Ongoing Issues/Awareness

Technology Maintenance & Upgrades

The Hoover Data Center has experienced a number of disaster events including multiple floods and a fire that put state operations at risk. OCIO retained **Gartner** to advise on options to replace the current data center.

Gartner and OCIO recommend moving to a 3rd party vendor for data center services.

On June 23, 2019 the Hoover Datacenter experienced the largest flooding event to date, shutting down the facility due to an electrical failure
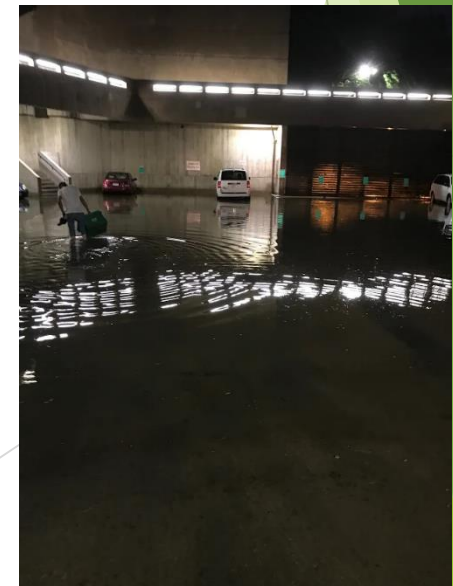
2018 Flood

2002 Flood

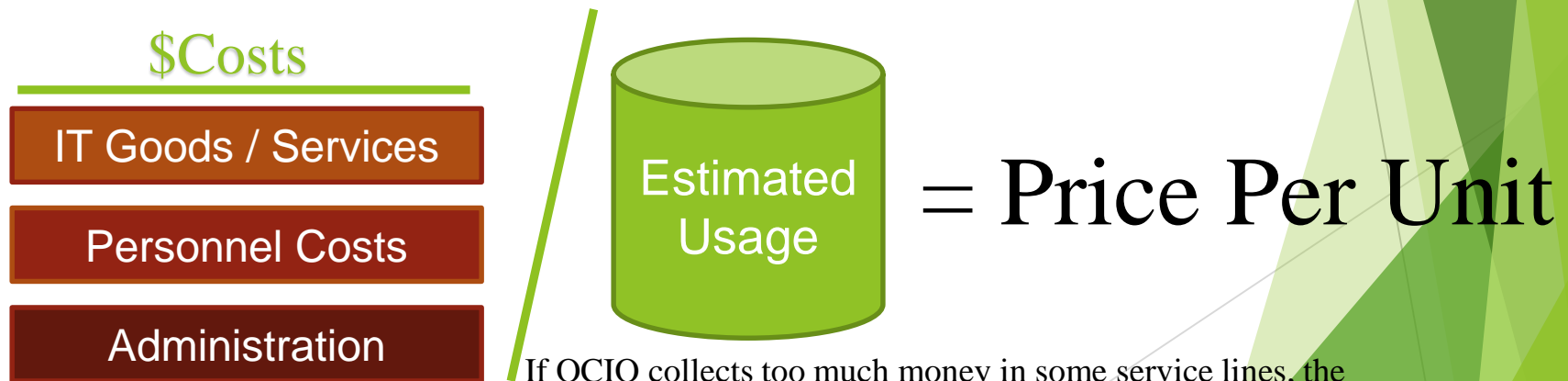2014 Fire

How is OCIO Currently Funded?

	Operating Fund	IowAccess Fund	Broadband Fund
What Does It Support?	Daily IT Operations	Citizen-Facing Programs	Broadband Grants
Where does money come from?	Service Fees Charged To Agencies	Driver Motor Vehicle Abstract Sales	Appropriated by legislature
FY21 Budget	$64,409,918 (from fees)	Average annual revenue $3-4 million (from fees)	TBD
Why is this important?	Funds major IT services including mainframe and datacenter	Supports citizen access to state data and websites	Connects Iowans to high-speed Internet in rural communities

How does OCIO set rates?

OCIO supports its operations by charging rates for the IT services it provides to agencies

Annually, OCIO conducts an extensive rate setting exercise to make sure its rates are set at "break even" levels. OCIO then submits its rate recommendations and estimated agency budget impacts to DOM for approval.

Setting rates involves forecasting costs and usage for each of OCIO's 40+ service areas. These forecasts are used to create a pricing model for each service OCIO operates.

$$\frac{\$\text{Costs}\;[\text{IT Goods / Services} + \text{Personnel Costs} + \text{Administration}]}{\text{Estimated Usage}} = \text{Price Per Unit}$$

If OCIO collects too much money in some service lines, the federal government can levy a fine against those service lines. Even if OCIO is losing money in other areas. The last fine occurred for FY15 and was paid by the executive council.

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Why charge for IT services?

OCIO First Developed Its Rate-Setting Program in the Mid-2000s:

1. To maximize access to Federal matching funds when using shared services (e.g. mainframe processing for Federal programs)
2. To help compare the cost of providing IT services internally with the marketplace (periodically review rates compared to market)
3. To help control costs by showing agencies how much service they are consuming.

Because OCIO IT services are charged to Federal programs, there are significant federal regulatory/audit requirements OCIO must follow including: regular re-pricing, avoiding cross-subsidization, and limiting cash balances.

Agency Participation

Service Desk

Cloud Services

Mainframes

Application Development

Info Security

Web Hosting

Datacenters

Network Services

Project Management

All agencies use OCIO services

19 Agencies Receive <u>All</u> Their IT Services from OCIO

37 Agencies Receive <u>Some</u> Services from OCIO

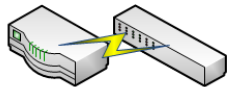OCIO Provided Over **$46 Million** in IT Services to Agencies in FY19

Approximately 115 Counties, Schools, and Cities use OCIO Services

Beginning in 2015, OCIO built a new team of Technology Account Managers to assist agencies with IT investment decisions and oversight. Today 5 TAMs work routinely with agencies to organize IT budgets and plans.

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