

## 1.0 Report Highlights

House Bill 17-1361 requires the OSA to evaluate and assess five major areas related to IT resource consolidation pursuant to Senate Bill 08-155 enacted in 2008.

### KEY FINDINGS

- **IT Related Human Resource Consolidation** – Most of the transfer of IT HR to OIT occurred in 2010 – 2011. At that point, about 85.0% of employees from centralized agencies who were in clearly identifiable IT classifications had been transferred. The primary reason some full-time employees, classified as IT (e.g. 15.1%), remain in State agencies is because their defined job classification is not sufficient to determine if they are doing IT work that should be the responsibility of OIT.
- **IT Related Asset and Infrastructure Consolidation** – Over the past decade IT assets were moved from data centers that the agencies were responsible for maintaining into three consolidated OIT data centers. Also during this period, some services that historically have been provided through state managed data centers have been moved to cloud services, reducing the number of physical data centers from a high of 40 data centers for the State to just three as of FY17. Outside of data center consolidation, the complete transfer of information technology infrastructure to OIT has not occurred. State agencies have transferred the operations of IT infrastructure and assets to OIT; however, from a budget and accounting perspective, the funding and spending authority for IT assets continue to exist among the agencies, not OIT.
- **Savings and Efficiencies from IT Decisions** – OIT decisions to reduce data centers from 40 to 3 and the work OIT has done on server virtualization have provided savings and efficiencies. However, since pre-centralization, (baseline) measurements were not taken and cost and utilization data (such as utilities) were not separately tracked by agencies, these savings cannot be quantified. OIT has not gathered and communicated evidence that consolidation and implementation of newer technologies have represented actual cost savings for the State. The bulk of what OIT has documented as “savings” is actually cost avoidance due to the procurement process, as defined by OIT’s standard, rather than true savings due to consolidation or new technology implementations.  
**OIT Billing Practices** – OIT’s practice of billing State agencies does not provide an effective measure to assess efficiencies or long-term cost savings, including employee costs, for the State resulting from the IT consolidation. Accounting practices are complex due to a variety of factors, including the reconciliation/true-up process, federal reporting requirements, OIT’s use of complex codes for bills.
- **Consumer Satisfaction with OIT** – Consumer satisfaction varies significantly among centralized agencies, as measured by several different survey questions. Customer satisfaction also varies based on OIT service. Customer satisfaction is lowest for project management services, procurement and vendor services, and infrastructure services. Customer satisfaction is highest for email services, phone services, Google apps services, OIT Service Desk, and desk-side support services.

### BACKGROUND

- The Governor’s Office of Information Technology (OIT) is the State’s centralized Information Technology (IT) Service Provider, responsible for managing IT resources and service delivery for state agencies that were consolidated under Senate Bill 08-155.
- OIT oversees the state’s IT infrastructure, including data centers, servers, mainframe operations, storage, operating systems, voice and data networks, and the public safety network.
- OIT oversees IT projects for consolidated agencies and recommends strategies to maximize IT service delivery through enterprise technology solutions.
- OIT is also responsible for the IT security operations center and for protecting citizen data and the State’s IT assets from threats, as well as remediating related information security vulnerabilities.
- Certain state agencies, departments, offices, and institutions were not required to consolidate IT under Senate Bill 08-155, including the Legislative and Judicial Branches; the Departments of Law, State and Treasury; and the state-supported institutions of higher education.

### KEY RECOMMENDATIONS

We made four recommendations to OIT focusing on improving IT Related Human Resource Consolidation, four recommendations focusing on improving IT Related Asset and Infrastructure Consolidation, four recommendations focusing on improving Savings and Efficiencies from IT Decisions, two recommendations focusing on improving OIT Billing Practices, and one recommendation (with eleven sub-parts) focusing on improving Consumer Satisfaction. OIT agreed or partially agreed with most of our recommendations, only disagreeing with two sub-parts (on two different recommendations).