



INFORMATION TECHNOLOGY UNIFICATION INITIATIVE PILOT PROJECT COST ANALYSIS

This memorandum provides information regarding the information technology (IT) unification initiative pilot project approved by the Legislative Assembly for the 2019-21 biennium, including a cost analysis based on information provided by state agencies.

BACKGROUND

The 2019 Legislative Assembly authorized an IT unification initiative, including a transfer of 96 full-time equivalent (FTE) positions from five agencies to the Information Technology Department (ITD), as a pilot project to consolidate IT resources in state government. The FTE positions transferred include:

Budget No. - Agency	FTE Transferred
226 - Department of Trust Lands	2.00
325 - Department of Human Services	48.00
540 - Adjutant General - Department of Emergency Services	4.00
750 - Parks and Recreation Department	1.00
801 - Department of Transportation	41.00
Total	96.00

The FTE positions transferred as part of the IT unification initiative pilot project resulted in 402 FTE positions authorized for ITD for the 2019-21 biennium.

In Section 8 of House Bill No. 1021 (2019), the Legislative Assembly provided legislative intent that ITD provide direction to the executive branch agencies in the Governor's cabinet not included in the IT unification initiative pilot project regarding IT strategic planning and operations. The section provides additional legislative intent that the 67th Legislative Assembly implement the findings and recommendations resulting from the IT unification initiative pilot project.

COST ANALYSIS

In August 2020, the Legislative Council surveyed the five agencies selected for the 2019-21 biennium IT unification initiative pilot project. The schedule below summarizes the information provided by the agencies. The Information does not include federal funding received as a result of the Coronavirus (COVID-19) pandemic or other IT costs, such as expenditures paid to third party vendors or other IT expenditures indirectly related to IT unification.

Budget No. - Agency	2017-19 Biennium Actual IT Expenses	2019-21 Biennium Estimated IT Expenses Without Unification	Fiscal Year 2020 Actual IT Expenses	Fiscal Year 2021 Estimated IT Expenses	Total 2019-21 Biennium Estimated IT Expenses With Unification	Difference - 2019-21 Biennium Estimates - With and Without Unification	2021-23 Biennium Estimated IT Expenses
226 - Department of Trust Lands Salaries and wages ¹	\$484,789	\$487,798	\$92,561	\$95,742	\$188,303	(\$299,495)	\$203,118

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IT operating expenses - ITD	219,621	472,655	275,820	315,312	591,132	118,477	698,500
Department of Trust Lands subtotal	\$704,410	\$960,453	\$368,381	\$411,054	\$779,435	(\$181,018)	\$901,618
325 - Department of Human Services							
Salaries and wages ¹	\$8,532,758	\$9,241,504	\$0	\$0	\$0	(\$9,241,504)	\$0
IT operating expenses - ITD	38,326,816	54,909,077	29,484,470	35,263,757	64,748,227	9,839,150	85,743,521
Department of Human Services subtotal	\$46,859,574	\$64,150,581	\$29,484,470	\$35,263,757	\$64,748,227	\$597,646	\$85,743,521
540 - Adjutant General - Department of Emergency Services							
Salaries and wages ¹	\$638,125	\$699,767	\$274,519	\$281,382	\$555,901	(\$143,866)	\$558,000
IT operating expenses - ITD	0	0	111,430	110,124	221,554	221,554	111,494
Adjutant General - Department of Emergency Services subtotal	\$638,125	\$699,767	\$385,949	\$391,506	\$777,455	\$77,688	\$669,494
750 - Parks and Recreation Department							
Salaries and wages ¹	\$95,014	\$182,404	\$23,125	\$23,125	\$46,250	(\$136,154)	\$38,000
IT operating expenses - ITD	761,833	838,016	532,022	558,623	1,090,645	252,629	1,100,500
Parks and Recreation Department subtotal	\$856,847	\$1,020,420	\$555,147	\$581,748	\$1,136,895	\$116,475	\$1,138,500
801 - Department of Transportation							
Salaries and wages ¹	\$7,671,089	\$8,313,090	\$0	\$0	\$0 ²	(\$8,313,090)	\$0 ²
IT operating expenses - ITD	8,912,701	10,469,227	9,521,893	9,623,232	19,145,125 ²	8,675,898	19,145,125 ²
Department of Transportation subtotal	\$16,583,790	\$18,782,317	\$9,521,893	\$9,623,232	\$19,145,125 ²	\$362,808	\$19,145,125 ²
Total	\$65,642,746	\$85,613,538	\$40,315,840	\$46,271,297	\$86,587,137	\$973,599	\$107,598,258
Increase from previous biennium		\$19,970,792			\$20,944,391		\$21,011,121
Percent increase from previous biennium		30.4%			31.9%		24.3%

¹Salaries and wages data represents costs related only to IT. If an employee performs both IT and other duties, only salaries related to the employee's IT duties are included in this document.

²The Department of Transportation has indicated estimated 2021-23 biennium IT costs are not available at this time. For purposes of this memorandum, the department's 2019-21 biennium IT expenses with unification estimates have been used to estimate 2021-23 biennium IT costs. This results in a total of \$107,598,258 of IT expenses related to salaries and wages and operating expenses paid to ITD for the agencies included in the 2019-21 biennium IT unification initiative pilot project.