

Arizona Department of Administration
Information Technology Services

A.R.S. § 41-711

JLBC Analyst: Paul Shannon

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
PROGRAM BUDGET				
Full Time Equivalent Positions	215.3	215.3	225.3	225.3
Information Technology Services				
<u>Subprograms</u>				
Arizona Telecommunication Services	10,000,200	12,433,400	13,190,900	14,034,400
All Other Information Technology Services	12,069,200	18,588,400	20,692,800	22,534,000
TOTAL APPROPRIATIONS	22,069,400	31,021,800	33,883,700 ^{1/}	36,568,400 ^{1/}
FUND SOURCES				
Technology and Telecommunications Fund	22,069,400	31,021,800	33,883,700 ^{2/}	36,568,400 ^{2/}
<i>Subtotal - Other Appropriated Funds</i>	22,069,400	31,021,800	33,883,700	36,568,400
TOTAL APPROPRIATIONS	22,069,400	31,021,800	33,883,700	36,568,400

COST CENTER DESCRIPTION – *The Information Technology Services Division operates the Data Center, which provides centralized computer services for approximately 70 state agencies, statewide emergency telecommunications services, and state agency telecommunications services. Funding for this cost center is provided through charges to agencies utilizing data processing and telecommunications services provided by Information Technology Services.*

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Estimate	Estimate
• Customer satisfaction rating for mainframe services based on annual survey (Scale of 1-8)	6.0/5.8	6.0/5.7	6.0	6.0
• Customer satisfaction rating for information technology security services (Scale of 1-8)	6.5/5.2	5.8/5.2	6.0	6.0
• Customer satisfaction rating for Finance and Planning services (Scale of 1-8)	7.0/5.9	5.96/5.2	6.0	6.0
• Customer satisfaction rating for Arizona Telecommunications System (ATS) (Scale of 1-8)	NA/5.5	5.8/5.4	6.0	6.0
• % of Enterprise Application work requests completed by estimated target date	94/95	90/89	95	95

Arizona Telecommunication Services Subprogram—
This subprogram provides a centralized data transmittal and telecommunication system that is used by all state agencies. Historically, some state agencies have built their own systems or independently leased telephone lines, rather than using the Arizona Department of Administration (ADOA) services. The approved appropriation includes a footnote that allows the

appropriation to be adjusted to reflect revenues in excess of the appropriated amount. Expenditures in excess of the appropriation shall be subject to review by the Joint Legislative Budget Committee, following approval by the Government Information Technology Agency (GITA), and shall not exceed the revenue that would result from the expenditure.

^{1/} General Appropriation Act funds are appropriated as a Lump Sum by Fund.

^{2/} The appropriation for the Technology and Telecommunications Fund is an estimate representing all monies, including balance forward, revenue and transfers during FY 2002 and FY 2003. These monies are appropriated to the Department of Administration for the purposes established in A.R.S. § 41-713. The appropriation shall be adjusted as necessary to reflect receipts credited to the Technology and Telecommunications Fund for Arizona Telecommunications System and data center projects. Of the appropriation, \$13,190,900 in FY 2002 and \$14,034,400 in FY 2003 are for the Arizona Telecommunications System and \$20,692,800 in FY 2002 and \$22,534,000 in FY 2003 are for All Other Information Technology Services expenditures. Expenditures for all additional Arizona Telecommunications System and data center projects shall be subject to review by the Joint Legislative Budget Committee, following approval of the Government Information Technology Agency, and shall not exceed the revenues for these projects. (General Appropriation Act footnote)

The approved amount includes a FY 2002 decrease of \$(531,100) below FY 2001 and a FY 2003 increase of \$233,900 above FY 2001 to fund additions to the system. The \$765,000 increase in FY 2003 is due to expected growth of the Arizona Telecommunications Services system. The approved amount also includes a FY 2002 increase of \$1,135,300 above FY 2001 and a FY 2003 increase of \$1,067,700 above FY2001 for telecommunications cabling and equipment for agencies moving into the 2 new Privatized Lease to Own (PLTO) buildings. The FY 2003 increase is lower due to one-time equipment purchases. These costs will be recovered to the Technology and Telecommunications Fund through monthly charges to individual agencies for telephone service.

All Other Information Technology Services Subprogram — This subprogram provides data center services to other agencies. The approved amount includes a FY 2002 increase of \$847,800 above FY 2001 and a FY 2003 increase of \$2,220,800 above FY 2001 to provide for equipment for the data center. The FY 2003 increase is higher due to continual growth in data processing needs of state agencies.

The approved appropriation also includes an increase of \$2,232,000 and 10 FTE Positions in both FY 2002 and FY2003 above FY 2001 for the increased workload resulting from data center consolidation (*see below for a description of data center consolidation.*) The approved FY 2001 supplemental appropriation (Laws 2000, Chapter 232) also adds \$1,300,000 to fund costs associated with data center consolidation.

The approved appropriation also includes an increase of \$24,000 in both FY 2002 and FY 2003 above FY 2001 to provide for a disaster recovery (business continuity) plan.

Other Issues: Data Center Consolidation. — The Executive consolidated the data systems of the Department of Revenue (DOR) and the Department of Transportation (ADOT) into the ITS data center. Costs of the current data center are charged to each agency participating in the data center. Because these costs are distributed to the various users, it was anticipated that charges to the participating agencies would be reduced. While rates were adjusted for each participating agency, unanticipated costs associated with the consolidation have decreased the benefits of the consolidation. The following chart provides the costs and benefits associated with data center consolidation.

Data Center Consolidation Summary of Costs and (Savings)			
<u>Agency</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
ADOT		\$ 542,500	\$ 630,800
DOR		868,900	955,600
ADOA	\$5,218,400	3,434,500	1,376,800
AHCCCS		(2,358,500)	(2,666,900)
DOC		(675,400)	(739,700)
HRMS		(500,300)	(564,700)
AFIS		(799,200)	(818,100)
All Other		(338,500)	(573,400)
Total Costs /(Savings)	\$5,218,400	\$ 174,000	\$(2,399,600)

[Click here to return to the Table of Contents](#)