

Director: Chris Cummiskey

JLBC Analyst: Tyler Palmer

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	21.0	21.0	24.0	24.0
Personal Services	1,582,400	1,663,700	1,717,800	1,663,700
Employee Related Expenditures	384,700	453,900	486,700	455,600
Professional and Outside Services	140,600	240,000	240,000	240,000
Travel - In State	8,100	10,100	10,100	10,100
Travel - Out of State	16,200	15,600	15,600	15,600
Other Operating Expenditures	224,900	341,600	4,041,300	5,344,100
Equipment	37,000	29,500	29,500	29,500
OPERATING SUBTOTAL	2,393,900	2,754,400	6,541,000	7,758,600
SPECIAL LINE ITEMS				
E-Health Initiative	0	1,500,000	1,500,000	1,500,000
Statewide Information Security and Privacy Office	0	0	500,000 ^{1/}	500,000 ^{1/}
AGENCY TOTAL	2,393,900	4,254,400	8,541,000^{2/}	9,758,600^{2/}
FUND SOURCES				
General Fund	0	1,500,000	2,000,000	2,000,000
<u>Other Appropriated Funds</u>				
Information Technology Fund	2,393,900	2,754,400	2,841,000	2,758,600
State Web Portal Fund	0	0	3,700,000	5,000,000
SUBTOTAL - Other Appropriated Funds	2,393,900	2,754,400	6,541,000	7,758,600
SUBTOTAL - Appropriated Funds	2,393,900	4,254,400	8,541,000	9,758,600
TOTAL - ALL SOURCES	2,393,900	4,254,400	8,541,000	9,758,600

AGENCY DESCRIPTION — The Government Information Technology Agency (GITA) is responsible for statewide information technology planning, coordinating, oversight, and consulting. Information technology projects with development costs over \$25,000 cannot proceed without GITA approval. GITA may suspend expenditures on failing projects. GITA also provides staff support to the Information Technology Authorization Committee (ITAC). Information technology projects with development costs over \$1,000,000 cannot proceed without ITAC approval. The GITA Information Technology Fund derives from a 0.15% charge on state agency payrolls.

PERFORMANCE MEASURES	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 Approved
• % of information technology (IT) projects completed on schedule	--	88	94	96
• % of information technology (IT) projects completed within budget	--	83	95	96
• % of agency IT managers rating GITA performance as excellent	--	56	NA	60
• % of IT projects that are compliant with state enterprise architecture standards	--	--	--	90

Comments: The agency did not submit information for any measure labeled as "NA". Due to low survey response rate in prior years, the agency did not administer a survey for FY 2006 results.

^{1/} Laws 2007, Chapter 259 appropriation of \$500,000.

^{2/} General Appropriation Act funds are appropriated as a Lump Sum by Agency.

Operating Budget

The budget provides \$6,541,000 and 21 FTE Positions for the operating budget in FY 2008 and \$7,758,600 and 21 FTE Positions in FY 2009. These amounts consist of:

	<u>FY 2008</u>	<u>FY2009</u>
Information Technology Fund	\$2,841,000	\$2,758,600
State Web Portal Fund	3,700,000	5,000,000

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$86,600 from the General Fund in FY 2008 and \$4,200 FY 2009 for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details. The annualization of these adjustments for FY 2009 will be addressed in the 2008 budget process.)*

State Web Portal Fund

The budget provides an increase of \$3,700,000 to the State Web Portal Fund in FY 2008 and \$5,000,000 in FY 2009 to develop and implement applications for electronic delivery of government agency services such as on-line licensing and permitting, governmental data sharing, and public access to government information.

Laws 2006, Chapter 346 created the State Web Portal Fund with the intent of providing legislative oversight over the expenditure of money generated from the web portal. The web portal's primary source of revenue comes from the sale of motor vehicle records. Prior to the creation of this new fund, web portal revenue was deposited into the contractor's private account. According to the existing web portal contract, if the state files to use the deposited money for maintaining existing projects of funding new projects, it is considered a non-refundable credit balance and is retained by the contractor.

To prevent losing the approximately \$3,000,000 credit balance, GITA has determined that it prevents money from being deposited in the Web Portal Fund. It is expected that money will begin to be deposited into this fund under the new web portal contract, which is expected to be signed by October 2007.

The Budget Procedures Budget Reconciliation Bill (Laws 2007, Chapter 259) continues a FY 2007 session law that requires GITA, after executing but before implementing any new web portal contract in FY 2008, to submit the fiscal provisions of the contract to Joint Legislative Budget Committee for its review. GITA is in the process of soliciting a new web portal contract. Final execution of the contract may not occur until FY 2008.

Special Line Items

E-Health Initiative

The budget provides \$1,500,000 from the General Fund for the E-Health Initiative in FY 2008 and FY 2009. These amounts are unchanged from FY 2007. Monies in this line item provide information technology grants for rural health care providers.

During FY 2007, the first year of this program, the agency received 21 applications requesting approximately \$5,000,000 in total funding. The agency distributed the \$1,500,000 in grants during December 2006. Some of the funded projects include electronic medical records, electronic imaging, and electronic prescribing.

Statewide Information Security and Privacy Office

The Budget Procedures Budget Reconciliation Bill (Law 2007, Chapter 259) appropriates \$500,000 and 3 FTE Positions from the General Fund in FY 2008 and FY 2009 for a statewide security risk assessment and costs associated with the Statewide Information Security and Privacy Office (SISPO). This office will perform strategic planning, policy development and risk assessment to protect the state's information resources.

Additional Legislation

ITAC Project Review

The Budget Procedures Budget Reconciliation Bill (Laws 2007, Chapter 259) amends A.R.S. § 41-3521 to require Information Technology Authorization Committee (ITAC) approval of project changes and contract amendments with associated costs that exceed \$1,000,000. Currently, ITAC only provides initial approval of projects and does not provide additional reviews of project changes or contract amendments.

Data Encryption RFP

The Budget Procedures Budget Reconciliation Bill (Law 2007, Chapter 259) requires GITA to issue a request for proposals by September 30, 2007 for solutions to encrypt data of personal information for all state agencies that maintain more than 10,000 records. Bids are required to be due by November 30, 2007.