INFORMATION TECHNOLOGY BUDGETS
for
FISCAL YEAR 2000

November 12 , 1998

Prepared for the Information Technology Commission
by the
Office of the Legislative Fiscal Analyst

ITC Budget Review for Fiscal Year 2000

The Information Technology Commission's Fiscal Year 2000 budget review has succeeded in accomplishing its goals. For the first time, the review considers both base and marginal IT funding requests. It also establishes a state government-wide IT budget baseline against which future IT funding requests can be measured. Most importantly, information gleaned from the review suggests potential policy recommendations to the Executive Appropriations Committee. The review, however, continues to undergo refinement, and lessons learned this year can be applied to future reviews.

Budget Related Issues for Commission Consideration

The following policy issues arise from information contained in budget data submitted to the Information Technology Commission:

Millennium Bug

Combined, state government agencies have requested at least $45 million in FY 1999 Supplemental/FY 2000 funds to mitigate two digit date fields prior to January 1, 2000. Further, in a memo to Commission members dated July 9, 1998, state CIO Dave Moon suggested creation of a $5 million contingency fund to address unanticipated Y2K problems encountered after New Year's Day.

Among other issues, the Commission may wish to make recommendations relating to:

1. **Timing:** Can agencies effectively invest funding made available only six months prior to the new millennium?
2. **Priority:** Should Y2K activities take priority over all other IT investment? If so, how can this be enforced?
3. **Contingency:** What, if any, funding mechanism should be used to address Y2K problems after the fact (e.g.: contingency fund, special session, special powers)?

Base Budgets

Utah state agencies typically spend much more on data processing current and capital expenses than originally budgeted at the beginning of the year. For instance, in FY 1998, state entities, with the exception of higher and public education, had budgeted $3.9 million for "Hardware Under $5,000" per unit. They spent more than four times that much, almost $19 million. Forty-two percent of all expenditures in that category took place in the last two months of the fiscal year, presumably as excess funding in other areas became available. Still, almost twenty percent of executive agency computers were of the 386 and 486 variety at the beginning of FY 1999.

The Commission may wish to consider recommendations regarding:

1. **Budget Formulation:** How can agencies more accurately forecast

their overall annual expenditures, whereby allowing better management of IT assets?

2. **Depreciation:** Should agencies replace administrative computers on a regular schedule, and if so, what mechanism can be used to accommodate such replacement (e.g.: sinking fund, rotating annual replacement)?

Budget Process

Almost four percent of the IT funding requested by state entities and reviewed by the commission could not be categorized by purpose. Higher and public education could not provide information on base budgets at all. Similarly, object level data cannot, in most cases, be tied to special projects. The Commission may wish to consider recommendations regarding the following:

1. **Level of Detail**: Should state entities be required to budget at the object-level for IT resources?
2. **Accountability**: Should state entities be required to use special project identifier fields available in budget and accounting databases to tie object level data to special projects?

IT Personnel

On average, Utah state agencies pay about $43,000 per annum in salary (not including benefits) to computer system analysts. This compares with an industry average of about $75,000 per year, and Utah's average of about $47,000 per year. State government's difficulty attracting and retaining qualified IT personnel will only be exacerbated by the looming Year 2000 problem. The Commission may wish to make recommendations regarding incentives for IT professionals in state government.

Special Projects

The Commission will receive budget data on high-visibility special projects that meet the following criteria:

1. Cost more than $1 million over total life-cycle, AND
2. Dramatically impact the efficiency of state gov't services, OR
3. Impact significant segments of the general public, OR
4. Effect wide dissemination of public data/impact privacy, OR
5. Improve inter-agency or inter-governmental coordination, OR
6. Have experienced significant cost increases, OR
7. Have experienced significant schedule delays, OR
8. Have not met other explicitly stated goals and expectations, OR
9. Are deemed to be of interest by Commission Chairs.

The Commission may wish to make recommendations specific to individual projects based on information contained in the special projects form or presented to the Commission by state government representatives.

Project Management

Many high-visibility information technology projects in the state do not have master plans, have master plans with inadequate performance metrics, or have master plans that are not updated for observed performance. Not

coincidentally, a number of state IT projects have experienced schedule delays and/or cost overruns. The Commission may wish to consider recommendations regarding the existence of detailed management plans as a prerequisite for appropriations.

Lessons Learned in This Year's Budget Review

As the Information Technology Commission refines its annual information technology budget review, it may wish to consider the following changes to this year's format:

Schedule Rather than review the budget in one or two meetings, the Commission could optimize budget review by setting aside a portion of each meeting for discussion of a budget related item or a specific special project.

Format In the coming year, the Commission may wish to change this year's common format to accommodate more textual description of budget requests and related issues, and to more adequately capture management information on ongoing projects.

Investment Analyses For those special projects that are new in a given fiscal year, the Commission may wish to request investment analysis in the form of a cost/benefit comparison or the CIO's Risk Value Assessment Model.

APPENDIX A:

Budget Documents as Submitted

Information Technology Funding

Utah Judicial Branch

FY 1998 - 2000

Judicial Branch IT Funding		FY 1998	Resourse 1998 Total	1999		1999 Total	2000		2000 Total	'98 - '99	'99 - '00
Cost Category	Cost Classification	Actual		Authorized	Supplemental		Base	Increase		Difference	Difference
Current Expense	Expense Appropriation			$30,000		$30,000	$30,000		$30,000		0%
	Hardware under $5,000/unit	$1,159,100	$1,159,100	$245,500	$86,900	$332,400	$245,500	$308,100	$553,600	-71%	67%
	Software (COTS) under $5,000/unit	$556,700	$556,700	$133,650		$133,650	$133,650	$83,100	$216,750	-76%	62%
	Consulting Services - State	$300	$300							-100%	
	Programming - External	$417,100	$417,100	$445,100		$445,100	$445,100	$5,000	$450,100	7%	1%
	Central Computing	$603,300	$603,300	$491,550		$491,550	$491,550		$491,550	-19%	0%
	Connectivity Charges	$54,000	$54,000	$28,800		$28,800	$28,800		$28,800	-47%	0%
	Training	$121,500	$121,500	$84,200		$84,200	$84,200		$84,200	-31%	0%
	Other Ongoing Expense	$54,900	$54,900	$59,100		$59,100	$59,100		$59,100	8%	0%
Current Expense Total		$2,966,900	$2,966,900	$1,517,900	$86,900	$1,604,800	$1,517,900	$396,200	$1,914,100	-46%	19%
Capital Expense	Capital Appropriation			$49,700		$49,700	$49,700		$49,700		0%
	Hardware over $5,000/unit	$283,900	$283,900	$218,400		$218,400	$218,400		$218,400	-23%	0%
	Software (COTS) over $5,000/unit	$103,400	$103,400	$60,000		$60,000	$60,000		$60,000	-42%	0%
Capital Expense Total		$387,300	$387,300	$328,100		$328,100	$328,100		$328,100	-15%	0%
Grand Total		$3,354,200	$3,354,200	$1,846,000	$86,900	$1,932,900	$1,846,000	$396,200	$2,242,200	-42%	16%

	1998 Total	1999			2000 Total	98-99	99-00
		Auth.	Supp.	Total		%Chg	%Chg
Total Departmental Funding	67,098,600	71,685,750		71,685,750	73,174,750	6.80%	2.08%
Total Departmental FTE		1,220		1,220	1,243		1.89%
IT Personnel Funding	1,650,700	1,775,800		1,775,800	1,782,100	7.58%	0.35%
IT Personnel FTE	32	32		32	32	0.00%	0.00%

Information Technology Mission: (Please describe the role IT plays in achieving your agency's strategic goals.)

The Administrative Office of Courts Information Technology Division is responsible for the administration and operation of automated systems in all state courts. The IT division provides not only the hardware and operating systems but also the case management software used in the Supreme, Court of Appeals, Trial Courts and Juvenile Courts, statewide management of juries. The IT division is also responsible for feeding data to the domestic violence network, statewide warrants of arrest, criminal histories and drivers license convictions. Through the work of the IT division management of the court through information has become a major initiative within the AOC. Recent developments regarding the data warehouse have made information a vital resource in creating awareness and managing the complex issues surrounding the court. Strategic issues relating to caseload management, staffing trends, continuance rates, back log information are a part of the delivery system provided by IT.

Supplemental Requests: (Please complete the following table for each IT related FY 1999 supplemental funding request.)

There are no IT related supplemental request for this year.

Project Name	Project Description	FY 1999 Funding	FY 1999 Supp.
TOTAL			

Building Blocks: (Please complete the following table for each IT related FY 2000 base funding increase request.)

The 1996 Legislature removed $450,000 from the base budget for the IT division. To soften the impact of that reduction the Legislature provided a one time $300,000 supplemental during FY1996. The 1997 Legislature provided a $25,000 base budget increase for FY1999. The current budget year is one in which the actions taken in 1996 are being fully felt. The current status is such that the IT division is applying funds to simply keep systems operational! Many of the final completion of year 2000 work was dependent on a stable base budget through 1999. This year the restoration of base funds is the number 2 priority of the Judicial Council.

Project Name	Project Description	FY 1999 Funding	FY 2000 Build. Blck
Restoration of Base	To restore funds in the base capital outlay budget that were cut in FY1998	245,500	308,100
TOTAL		245,500	308,100

One-time Increases: (Please complete the following table for each IT related FY 2000 one-time funding request.)

There are no one-time increases in this year's request.

Project Name	Project Description	FY 1999 Funding	FY 2000 One-time
TOTAL			

Special Projects: (Please provide requested cost and schedule information for the high-visibility IT projects managed by your agency. By resolution of the Executive Appropriations Committee, all agencies must report on the total cost and schedule status of Year 2000 Mitigation. Other projects to be included are listed at http://www.le.state.ut.us/~itc/budget. Provide original planning estimates for total project cost (including base resources) and scheduled completion date, as well as original planning estimates of cost and scheduled completion date for the last completed milestone. Next, provide observed results at the last milestone and the anticipated impact of said results on total project cost and schedule.)

Year 2000 Mitigation

Milestone Description: The last major milestone was achieved when a new case management system was installed in Beaver, August 1998.

Project Overview: (Briefly describe the current status of the project, including any necessary cost/schedule remediation activities.)
The Judicial Branch has completed all major software modifications necessary for year 2000 mitigation. The majority of these projects were completed by August 1998. There are final year 2000 issues under review which involve completion of regular operating system upgrades and retirement of old personal computers which should be completed in by year end of 1999. The office is developing plans for operational contingincies in the event of extended power outages or other events outside of the control of the AOC. Various ancillary devices which may be date sensitive such as a VCR are being analyzed and at this time have not been determined to be mission critical. The loss of these remaining systems or components should not disrupt the ability of the court to conduct business in a normal manner. All of the year 2000 mitigation work done by the IT division has been performed within existing budgets over the past six years. No additional funding requests have been made to complete the project.

Juvenile Court Reengineering

Milestone Description: (Description of last achieved milestone.)

	Milestone		Total Project	
	Cost	Completion Date	Cost	Completion Date
Planning Baseline			2,800,000	2001
Actual Observed				
Difference	$0	(days)	$0	(days)

Project Overview: (Briefly describe the current status of the project, including any necessary cost/schedule remediation activities.)

This project is not yet underway. It is currently projected to be completed with federal criminal justice grant funds. Over half of the funds necessary have already been approved by the granting agency. This project will require cooperative work between the courts, Division of Youth Corrections and the Division of Child and Family Services, law enforcement and schools.

Information Technology Funding

Utah Legislative Branch

FY 1998 - 2000

Legislative Branch IT Funding		Fiscal Year 1998	Resource 1998 Total	1999		1999 Total	2000		2000 Total	'98 - '99	'99 - '00
Cost Category	Cost Classification	Actual		Authorized	Supplemental		Base	One-time		Difference	Difference
Current Expense	Expense Appropriation			$721,900	$0	$721,900	$701,900	$345,000	$1,046,900		
	Hardware under $5,000/unit	$294,465	$294,465								
	Software (COTS) under $5,000/unit	$99,534	$99,534								
	Central Computing	$1,949	$1,949								
	Connectivity Charges	$82,992	$82,992								
	Contracted LAN Admin.	$26,650	$26,650								
	Training	$192	$192								
	Other Ongoing Expense	$16,757	$16,757								
Current Expense Total		$522,539	$522,539	$721,900	$0	$721,900	$701,900	$345,000	$1,046,900	38%	45%
Capital Expense	Capital Appropriation			$262,000		$262,000	$57,000		$57,000		
	Hardware over $5,000/unit	$16,564	$16,564								
	Software (COTS) over $5,000/unit	$13,842	$13,842								
	Custom Software Development	$9,333	$9,333								
Capital Expense Total		$39,739	$39,739	$262,000		$262,000	$57,000		$57,000	559%	-78%
Grand Total		$562,279	$562,279	$983,900	$0	$983,900	$758,900	$345,000	$1,103,900	75%	12%

	1998 Actual	1999 Authorized	2000 Total	98-99 %Chg	99-00 %Chg
Total Departmental Funding	$11,567,150	$12,878,500	See Note	11%	N/A
Total Departmental FTE	128	130	See Note	2%	N/A
IT Personnel Funding	$352,000	$430,000	$445,000	22%	3%
IT Personnel FTE	5	6	6	20%	0%

NOTE: The Legislature's official FY 2000 budget will be formulated just prior to legislative session. FY 2000 IT figures shown above are estimates based upon anticipated marginal changes to prior year authorization levels, and are subject to change. Personnel figures include benefits.

Information Technology Mission: (Please describe the role IT plays in achieving your agency's strategic goals.)

The Legislature uses information technology to enhance: (1) citizen access to legislative information; (2) coordination among the legislative offices; and (3) provision of services by legislative staff to legislators. The Legislature's information technology initiatives are coordinated by the Legislative Management Committee through the Legislative Automation Committee (LAC). The LAC was created in 1996, its membership is composed of a representative from each of the Legislature's staff offices, and it is chaired by the Secretary of the Senate and the Clerk of the House.

One-time Increases: (Please complete the following table for each IT related FY 2000 one-time funding request.)

Project Name	Project Description	FY 1999 Funding	FY 2000 One-time
Legislator Laptops	Replace laptops used by members of the House and Senate. For ease of administration, these machines are replaced at one time on regular intervals.	0	$345,000
TOTAL			$345,000

Information Technology Funding

Utah Education Network

FY 1998 - 2000

	1998 Total	1999			2000 Total	98-99	99-00
		Auth.	Supp.	Total		%Chg	%Chg
Total Departmental Funding	$13,420,129	$15,397,000	$1,000,000	$16,397,000	$19,286,410	22.18%	17.62%
Total Departmental FTE	230	232	0	232	234	0.87%	0.86%
IT Personnel Funding	$ 2,397,119	$ 2,504,989	0	$ 2,504,986	$ 2,617,714	4.50%	4.50%
IT Personnel FTE	57	59.5	0	59.5	60.5	4.39%	1.68%

Note: Funding by Department:

EDNET	$ 3,794,929	$ 4,932,800	0	$ 4,932,800	$ 5,292,800	29.98%	7.30%
UtahLINK	$ 4,955,000	$ 5,085,300	0	$ 5,085,300	$ 6,739,159	2.63%	32.52%
CEU Distance Education	$ 235,000	$ 242,500	0	$ 242,500	$ 242,500	3.19%	0.00%
UEN Technology Initiative	$ 0	$ 615,000		0	$ 615,000	$ 615,000	N/A
							0.00%
UEN Satellite Services- UENSS	$1,500,000	$1,507,500	0	$ 1,507,500	$ 1,507,500	0.50%	0.00%
KUED/KULC	$ 2,935,200	$3,013,900	$1,000,000	$ 4,013,900	$ 4,889,451	36.75%	21.81%
Totals	$13,420,129	$15,397,000	$1,000,000	$16,397,000	$19,286,410	22.18%	17.62%

Note: 98-99 %Change assumes that we are successful on obtaining $1,000,000 supplemental for KUED/KULC.

Note: UEN Technology Initiative monies were not part of UEN's direct budget prior to FY 99.

Information Technology Mission: (Please describe the role IT plays in achieving your agency=s strategic goals.)

It is the mission of the Utah Education Network to:

Provide the citizens of Utah access to the highest quality, most effective instructional experiences, administrative support services, library services, student services, and teacher resources regardless of location or time.

These services will be delivered through seamless, technology rich communications networks linking schools, world information networks, business, industry and homes.

Supplemental Requests: (Please complete the following table for each IT related FY 1999 supplemental funding request.)

Project Name	Project Description	FY 1999 Funding	FY 1999 Supp.
KUED/KULC	First of three year request for KUED/KULC Digital conversion	0	$1,000,000
TOTAL		0	$1,000,000

Note: $875,551 is being requested in one-time funding from the General Fund
nd the remaining $1,000,000 in FY 2000 supplemental funding.

Building Blocks: (Please complete the following table for each IT related FY 2000 base funding increase request.)

Project Name	Project Description	FY 1999 Funding	FY 2000 Build. Blck
EDNET	To replace one time funding with on-going plus convergence	$ 4,932,800	$ 360,000
UtahLINK	To fund sites over five years, increased access charges	$ 5,085,300	$1,363,859
UtahLINK - WAG	To provide content for science and other related courses	$ 0	$ 290,000
C.E.U. Distance Education	Funding remains constant	$ 242,500	$ 0
UEN Technology Initiative	Funding remains constant	$ 615,000	$ 0
UEN Satellite Services-UENSS	Funding remains constant	$ 1,507,500	$ 0
KUED/KULC	(See One Time Funding)	$ 4,013,900	$ 0
TOTAL		$16,397,000	$2,013,859

One-time Increases: (Please complete the following table for each IT related FY 2000 one-time funding request.)

Project Name	Project Description	FY 1999 Funding	FY 2000 One-time
KUED/KULC	First of three year request for KUED/KULC digital conversion	$ 0	$ 875,551
TOTAL		$ 0	$ 875,551

Note: $1,000,000 is being requested in supplemental funding and the remaining $875,551 in FY 2000 funding.

Special Projects: (Please provide requested cost and schedule information for the high-visibility IT projects managed by your agency. By resolution of the Executive Appropriations Committee, all agencies must report on the total cost and schedule status of Year 2000 Mitigation. Other projects to be included are listed at http://www.le.state.ut.us/~itc/budget. Provide original planning estimates for total project cost (including base resources) and scheduled completion date, as well as original planning estimates of cost and scheduled completion date for the last completed milestone. Next, provide observed results at the last milestone and the anticipated impact of said results on total project cost and schedule.)

Year 2000 Mitigation

Milestone Description: (Description of last achieved milestone.)

	Milestone		Total Project	
	Cost	Completion Date	Cost	Completion Date
Planning Baseline				
Actual Observed				
Difference	$0	(days)	$0	(days)

Project Overview: (Briefly describe the current status of the project, including any necessary cost/schedule remediation activities.)

KUED/KULC Digital Conversion

Milestone Description: (Description of last achieved milestone.)

	Milestone		Total Project	
	Cost	Completion Date	Cost	Completion Date
Planning Baseline				
Actual Observed				
Difference	$0	(days)	$0	(days)

Project Overview: (Briefly describe the current status of the project, including any necessary cost/schedule remediation activities.

A federal mandate is now in place for all commercial and public television stations to convert to digital television transmission no later than 2003. Non-compliance will result in a loss of broadcast channels for KUED Channel 7 and KULC Channel 9.

Converting KUED and KULC to digital broadcasting is expected to cost $15.1 million. To support this effort, the Utah Education Network is requesting appropriations of approximately $6 million over three years to assist them in making the conversion. The UEN has requested $1,875,551 in FY 2000 to pay the two stations' share of a common transmitter building, tower, and antenna system on Farnsworth Peak in the Oquirrh Mountains; $1,000,000 is requested from supplemental funding with the remaining $875,551 requested from the General Fund in a one-time classification. KUED and KULC will secure $9.1 million in additional funds from other sources, including private philanthropy, federal funds, and the stations' own operating bu]dgets, to complete the conversion process.

Information Technology Funding

Utah System of Higher Education

FY 1998 - 2000

Sum of Funding		Fiscal Year	Reg. Type										
		1998	1998 Total	1999		1999 Total	2000			2000 Total	98-'99	99-'00
Cost Category	Cost Classification	Actual		Authorized	Supplemental		Base	Build Blck	One-time		% Change	% Change
Current Expense	Hardware under $5,000/unit	$0	$0					$0		$0	#DIV/0!	#DIV/0!
	Software (COTS) under $5,000/unit							$0		$0	#DIV/0!	#DIV/0!
	Consulting Services - State								$0	$0	#DIV/0!	#DIV/0!
	Consulting Services - External						$0			$0	#DIV/0!	#DIV/0!
	Programming - State							$0		$0	#DIV/0!	#DIV/0!
	Programming - External							$0		$0	#DIV/0!	#DIV/0!
	Training							$0		$0	#DIV/0!	#DIV/0!
	Contracted LAN Admin.							$0		$0	#DIV/0!	#DIV/0!
	Central Computing			$0		$0					#DIV/0!	#DIV/0!
	Connectivity Charges				$0	$0					#DIV/0!	#DIV/0!
	Other Ongoing Expense							$0		$0	#DIV/0!	#DIV/0!
Current Expense Total		$0	$0	$0	$0	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!
Capital Expense	Hardware over $5,000/unit							$0		$0	#DIV/0!	#DIV/0!
	Software (COTS) over $5,000/unit							$0		$0	#DIV/0!	#DIV/0!
	Custom Software Development							$0		$0	#DIV/0!	#DIV/0!
Capital Expense Total								$0		$0	#DIV/0!	#DIV/0!
Grand Total		$0	$0	$0	$0	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!

	1998 Total	1999			2000 Total	98-99	99-00
		Auth.	Supp.	Total		%Chg	%Chg
Total Departmental Funding							
Total Departmental FTE							
IT Personnel Funding							
IT Personnel FTE							

These pages are not filled out because higher education does not code and separate IT expenditures in this manner. In higher education, cost centers are built around colleges and departments. And IT expenditure categories are not standard among departments and/or institutions. Hardware, Software, Networking, Consultants, current expense and training are not separated into IT and non IT items--rather into departmental units. The institutions' organizations for manpower expenses very greatly as well. Some have a central computing services and others do not. Note, if higher education is required to provide this data it will need to establish some common objects of expenditures and build appropriate translation tables. This must be done before the fact not after equipment is purchased and coded.

Information Technology Mission: (Please describe the role IT plays in achieving your agency's strategic goals.)

Supplemental Requests: (Please complete the following table for each IT related FY 1999 supplemental funding request.)

Project Name	Project Description	FY 1999 Funding	FY 1999 Supp.
TOTAL			

Building Blocks: (Please complete the following table for each IT related FY 2000 base funding increase request.)

Project Name	Project Description	FY 1999 Funding	FY 2000 Build. Blck
TOTAL			

One-time Increases: (Please complete the following table for each IT related FY 2000 one-time funding request.)

Project Name	Project Description	FY 1999 Funding	FY 2000 One-time
TOTAL			

Special Projects: (Please provide requested cost and schedule information for the high-visibility IT projects managed by your agency. By resolution of the Executive Appropriations Committee, all agencies must report on the total cost and schedule status of Year 2000 Mitigation. Other projects to be included are listed at http://www.le.state.ut.us/~itc/budget. Provide original planning estimates for total project cost (including base resources) and scheduled completion date, as well as original planning estimates of cost and scheduled completion date for the last completed milestone. Next, provide observed results at the last milestone and the anticipated impact of said results on total project cost and schedule.)

Year 2000 Mitigation

Milestone Description: (Description of last achieved milestone.)

	Milestone		Total Project	
	Cost	Completion Date	Cost	Completion Date
Planning Baseline				
Actual Observed				
Difference	$0	(days)	$0	(days)

Project Overview: (Briefly describe the current status of the project, including any necessary cost/schedule remediation activities.)

The ADP (Financial Records, Purchasing, Payroll, Personnel, Admissions, Student Records, Financial Aid, Billings and Receivables) systems are in the process of implementing the upgrades and conversion to Y2K compliant software. The Embedded chips have been inventoried and in most cases are in the assessment or the replacement phase. The networks have been inventoried and assessed. Where software needs to be upgraded that is being done. The Desktop and Workstations computers are in the final phase of being inventoried and assessed for compliance. The problem with replacement is that in the past most machines were acquired with onetime funds and most machines follow a trickle down approach or are left in a lab to provide additional access. Therefore, without funds these older machines will just be taken out of service and the lines will grow and access will be limited. The Departmental Computing is in the inventorying phase and most departments are counting on application software vendors to upgrade their products when funds become available.

Information Technology Funding

Utah State Office of Education

FY 1998 - 2000

Special Projects: (Please provide requested cost and schedule information for the high-visibility IT projects managed by your agency. By resolution of the Executive Appropriations Committee, all agencies must report on the total cost and schedule status of Year 2000 Mitigation. Other projects to be included are listed at http://www.le.state.ut.us/~itc/budget. Provide original planning estimates for total project cost (including base resources) and scheduled completion date, as well as original planning estimates of cost and scheduled completion date, as well as original planning estimates of cost and scheduled completion date for the last completed milestone. Next, provide observed results at the last milestone and the anticipated impact of said results on total project cost and schedule).

Year 2000 Mitigation

Milestone Description: (Description of last achieved milestone.) District technology coordinators were recently surveyed as to their Y2K compliance needs. They reported 32,310 non-compliant computers and 660 non-compliant servers involved in district-defined mission-critical functions.

	Milestone		Total Project	
	Cost	Completion Date	Cost	Completion Date
Planning Baseline	n/a	n/a	$26,803,604	December 31, 1999
Actual Observed	n/a	n/a		
Difference				

Project Overview: (Briefly describe the current status of the project, including any necessary cost/schedule remediation activities.) School computers are used for multiple purposes, many of which are mission critical such as grade reporting, attendance, scheduling, and student information. These mission critical interactions will be severely impacted if computers not Y2K compliant. Districts are dedicating their own resources, both financial and human, to addressing compliance issues.

ETI Building Block Increase

Milestone Description: (Description of last achieved milestone.) Almost 50% of the installed base in our K-12 schools is older architecture that is unable to support multimedia and Internet applications. A recent national survey placed Utah last in the nation in the ratio of multimedia computers in our schools. In addition, schools are faced with an ever increasing need for technical support. Finally, teachers need additional training in how to infuse technology into their teaching and students' learning.

	Milestone		Total Project	
	Cost	Completion Date	Cost	Completion Date
Planning Baseline			$1,500,000	
Actual Observed				
Difference				

Project Overview: (Briefly describe the current status of the project, including any necessary cost/schedule remediation activities.)
The current ETI building block is $8,505,682. These funds flow to school districts according to a legislatively mandated formula: 25% of the funds are divided equally among the 40 districts and the Utah Schools for the Deaf and Blind creating a base amount. 75% of the funds are distributed according to the estimated average daily membership for the current year. District allocations range from a high of $1,045,743 to Granite District to a low of $54,699 to Daggett District. These additional funds are to assist districts as they wrestle with an aging installed base, a greater need for technical support, and Internet connectivity issues. In addition, the changing nature of technology and the need to use technology while teaching, places a burden on teachers to try to stay up-to-date.

APPENDIX B:

Executive Branch Object Level IT Budget
from
GOPB Budget Prep Database

(Prepared by Office of the Legislative Fiscal Analyst)

Executive Branch IT Funding		FY 1998	RESOURCE 1998 Total	1999		1999 Total	2000		2000 Total	'98 - '99	'99 - '00
Cost Category	Cost Classification	Actual		Authorized	Supplemental		Base	Increase		Difference	Difference
Current Expense	Expense Appropriation	$235,299	$235,299	$741,400	$201,500	$942,900	$300,900	$201,630	$502,530	301%	-47%
	Hardware under $5,000/unit	$18,467,798	$18,467,798	$15,329,159		$15,329,159	$12,313,122	$1,141,400	$13,454,522	-17%	-12%
	Software (COTS) under $5,000/unit	$11,798,499	$11,798,499	$10,044,819	$50,000	$10,094,819	$7,965,337	$520,300	$8,485,637	-14%	-16%
	Programming - External	$2,774,175	$2,774,175	$3,439,967		$3,439,967	$1,853,687	$2,563,700	$4,417,387	24%	28%
	Programming - State	$30,800	$30,800	$83,025		$83,025	$38,425		$38,425	170%	-54%
	Consulting Services - External	$1,338,009	$1,338,009	$1,273,964		$1,273,964	$728,864	$100,000	$828,864	-5%	-35%
	Consulting Services - State	$23,554	$23,554	$62,350		$62,350	$34,326		$34,326	165%	-45%
	Central Computing	$18,833,655	$18,833,655	$19,169,612		$19,169,612	$18,537,760	$301,400	$18,839,160	2%	-2%
	Connectivity Charges	$8,944,293	$8,944,293	$9,153,563		$9,153,563	$9,155,663	$45,400	$9,201,063	2%	1%
	Contracted LAN Admin.	$1,393,036	$1,393,036	$1,270,220		$1,270,220	$1,260,220	$15,700	$1,275,920	-9%	0%
	Training	$417,444	$417,444	$608,334		$608,334	$443,651	$110,500	$554,151	46%	-9%
	Other Ongoing Expense	$1,885,579	$1,885,579	$1,611,739		$1,611,739	$1,406,711	$12,500	$1,419,211	-15%	-12%
Current Expense Total		$66,142,143	$66,142,143	$62,788,152	$251,500	$63,039,652	$54,038,666	$5,012,530	$59,051,196	-5%	-6%
Capital Expense	Capital Appropriation	$30,900	$30,900	$710,300	$8,500	$718,800	$468,100	$348,000	$816,100	2226%	14%
	Hardware over $5,000/unit	$2,084,128	$2,084,128	$2,603,100	$100,000	$2,703,100	$949,000	$1,207,400	$2,156,400	30%	-20%
	Software (COTS) over $5,000/unit	$1,853,359	$1,853,359	$537,100		$537,100	$165,600	$467,400	$633,000	-71%	18%
	Custom Software Development	$11,234,412	$11,234,412	$17,277,000		$17,277,000	$2,335,700	$7,610,000	$9,945,700	54%	-42%
Capital Expense Total		$15,202,798	$15,202,798	$21,127,500	$108,500	$21,236,000	$3,918,400	$9,632,800	$13,551,200	40%	-36%
Grand Total		$81,344,941	$81,344,941	$83,915,652	$360,000	$84,275,652	$57,957,066	$14,645,330	$72,602,396	4%	-14%