

Department of Technology Services

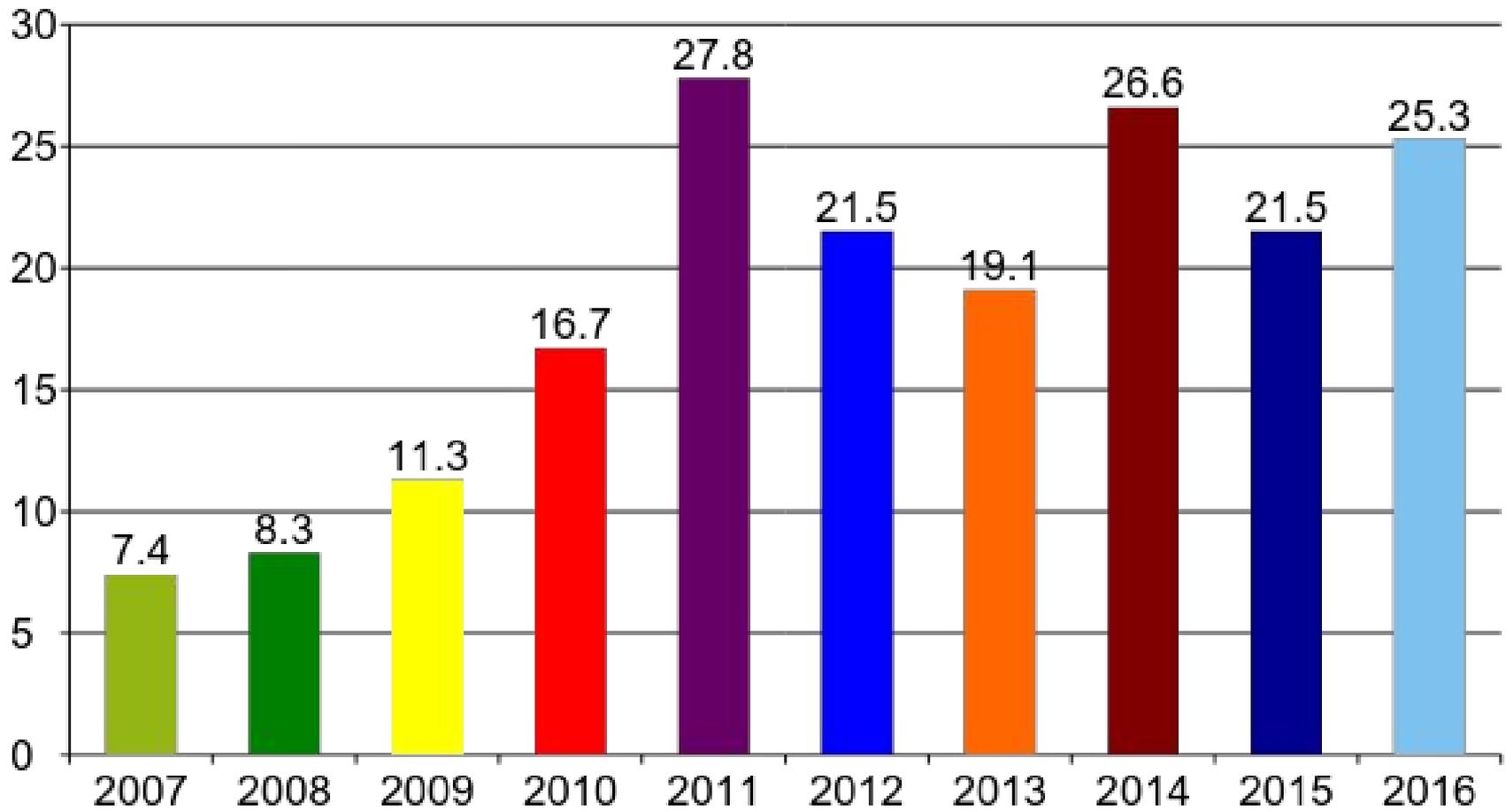
September 19, 2017

Infrastructure and General Government
Appropriations Subcommittee

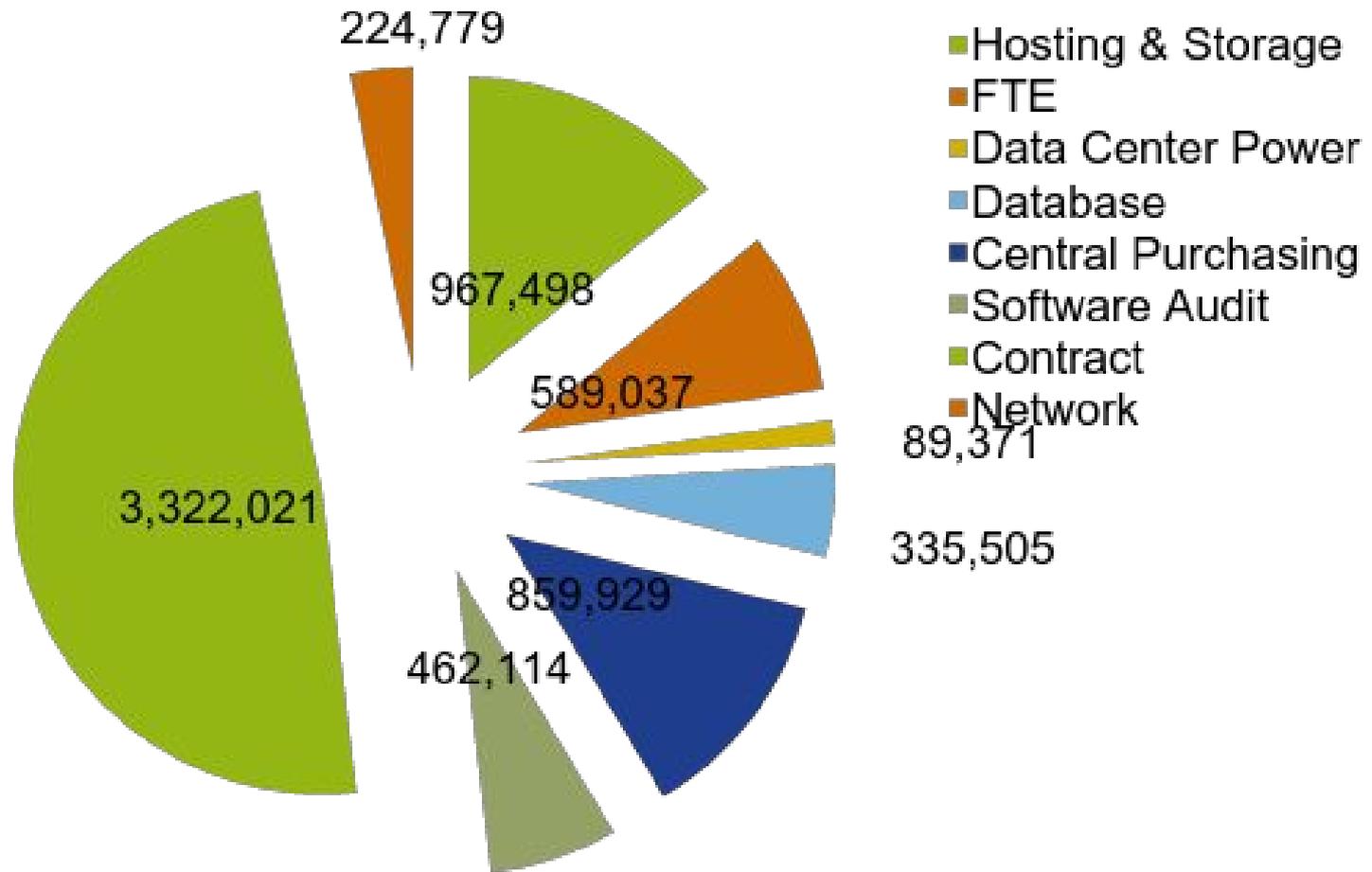


Utah Department of
Technology Services

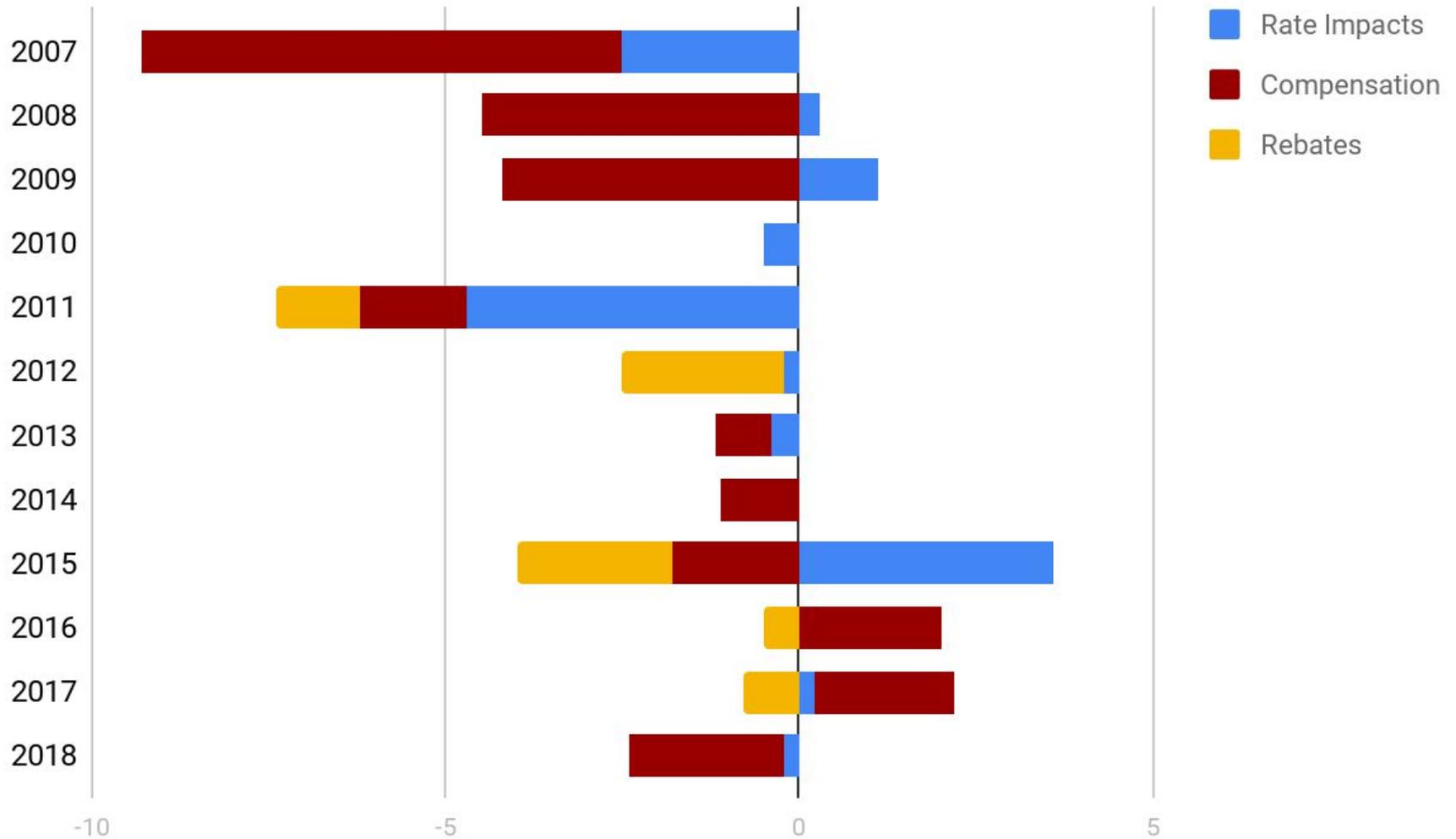
Cumulative Cost Savings \$186 million



2016 Cost Savings \$6.9 million



Cost Savings through Rate Impacts



Overview of Rate Setting Process

Rates are (UCA 63F-1-301):

- equitable
- zero based full cost accounting
- projected consumption recovers no more and no less than actual cost
- lowest practical cost for service provided



Overview of Rate Setting Process

Rates Calculation:

- based on annual budgeted expenses per service
- divided by projected consumption
- equals the calculated rate

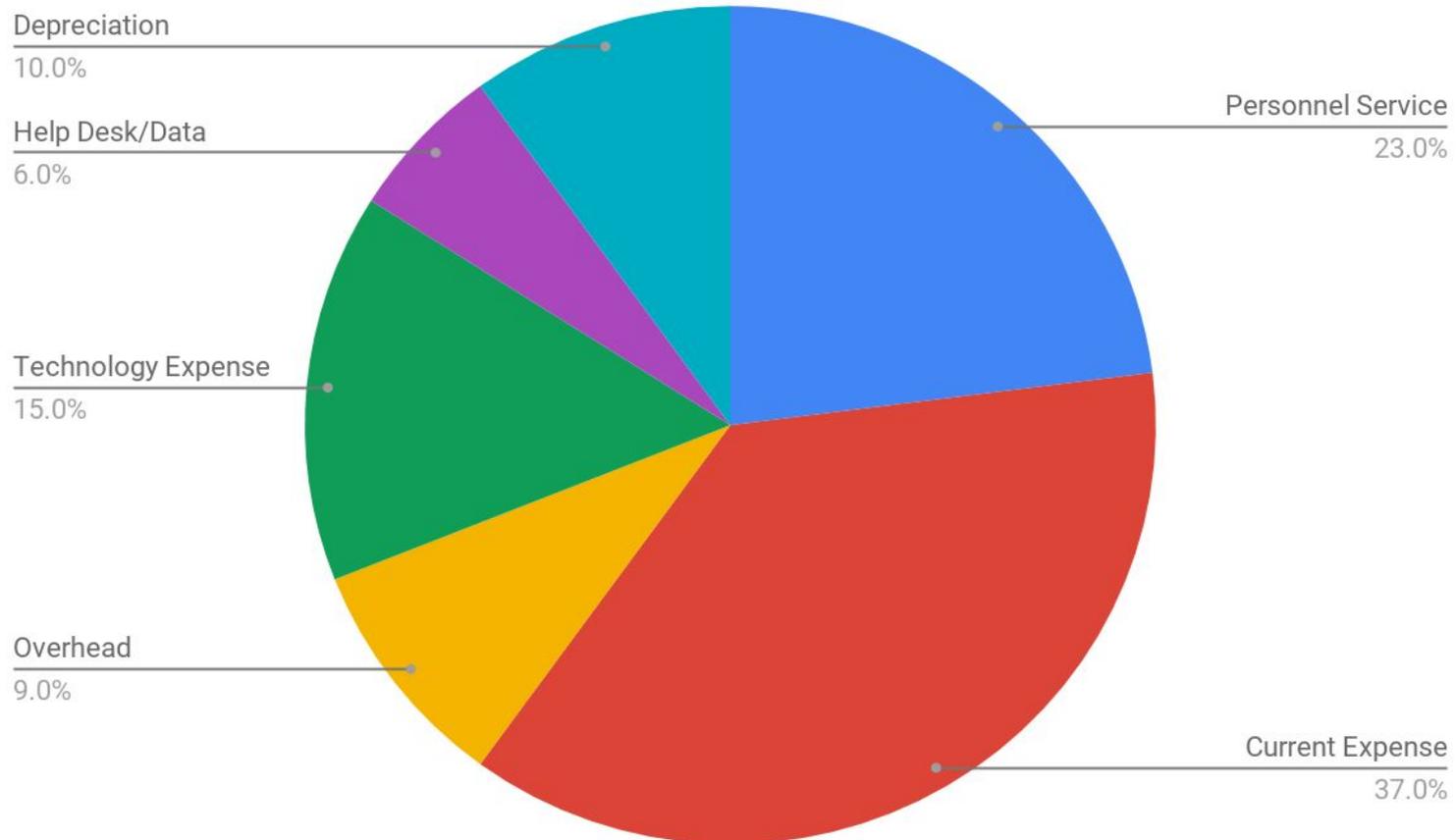


Network Rate

FY19 Budget \$15 million

FY17 \$13.2 million

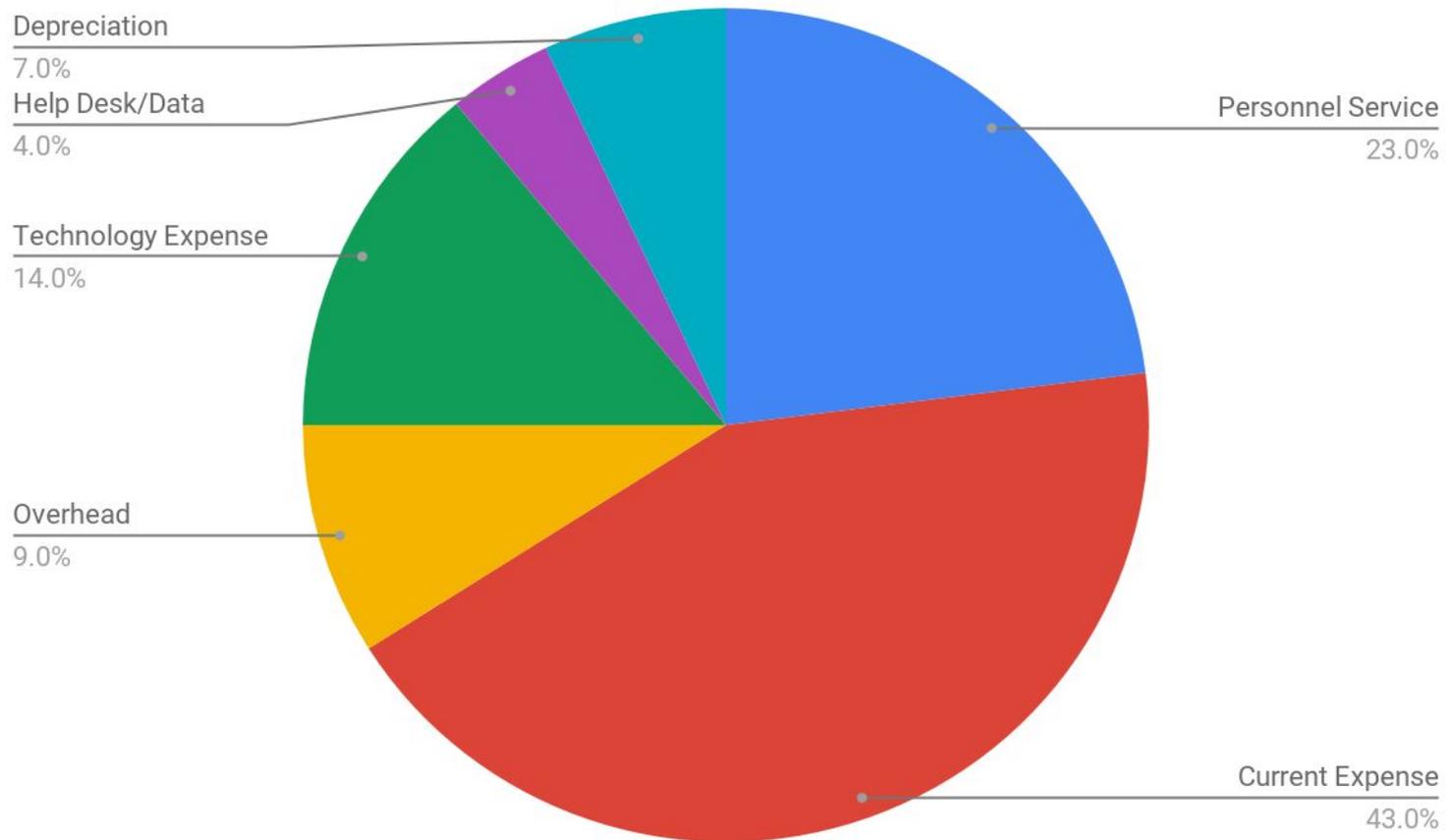
FY18 \$14.6 million



Rate Calculation = $\$15,096,885$ (total expense) - $\$475k$ (other revenue) / $25,000$ (number of devices) ⁷

Phone Rate

FY19 Budget \$8.9 million
FY17 \$8.9 million FY18 \$8.9 million

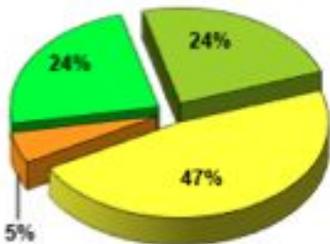


Rate Calculation = $\$8,959,000$ (total expense) - $\$1,200,000$ (other revenue) / $20,000$ (number of devices)

Market Benchmark Analysis

FY10

Ninety-two percent (92%) of the DTS Rates were found to be "Reasonable" to "Best Value"



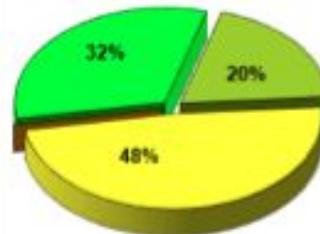
FY11

Ninety-seven percent (97%) of the DTS Rates were found to be "Reasonable" to "Best Value"



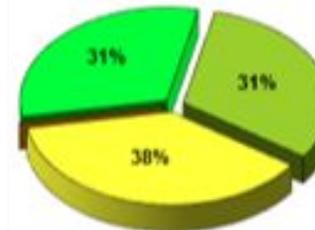
FY12

One hundred percent (100%) of the DTS Rates were found to be "Reasonable" to "Best Value"



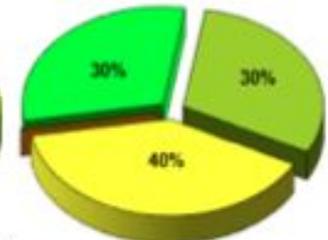
FY13

One hundred percent (100%) of the DTS Rates were found to be "Reasonable" to "Best Value"



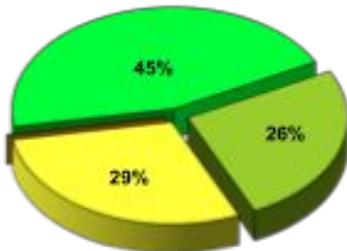
FY14

One hundred percent (100%) of the DTS Rates were found to be "Reasonable" to "Best Value"



FY15

One hundred percent (100%) of the DTS Rates were found to be "Reasonable" to "Best Value"



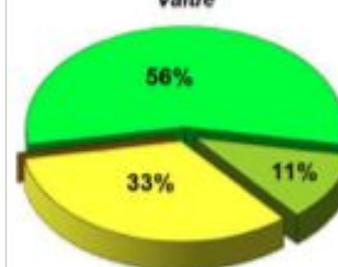
FY16

Ninety-six percent (96%) of the DTS Rates were found to be "Reasonable" to "Best Value"



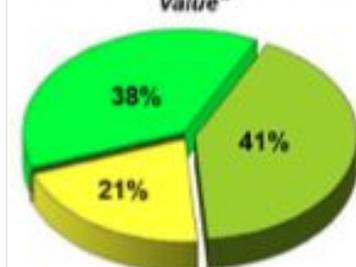
FY17

One hundred percent (100%) of the DTS Rates were found to be "Reasonable" to "Best Value"



FY18

One hundred percent (100%) of the DTS Rates were found to be "Reasonable" to "Best Value"



Value Legend

	Best Value		Very Reasonable Value		Reasonable Value		Less Reasonable Value
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Significant Changes in FY19 Rates

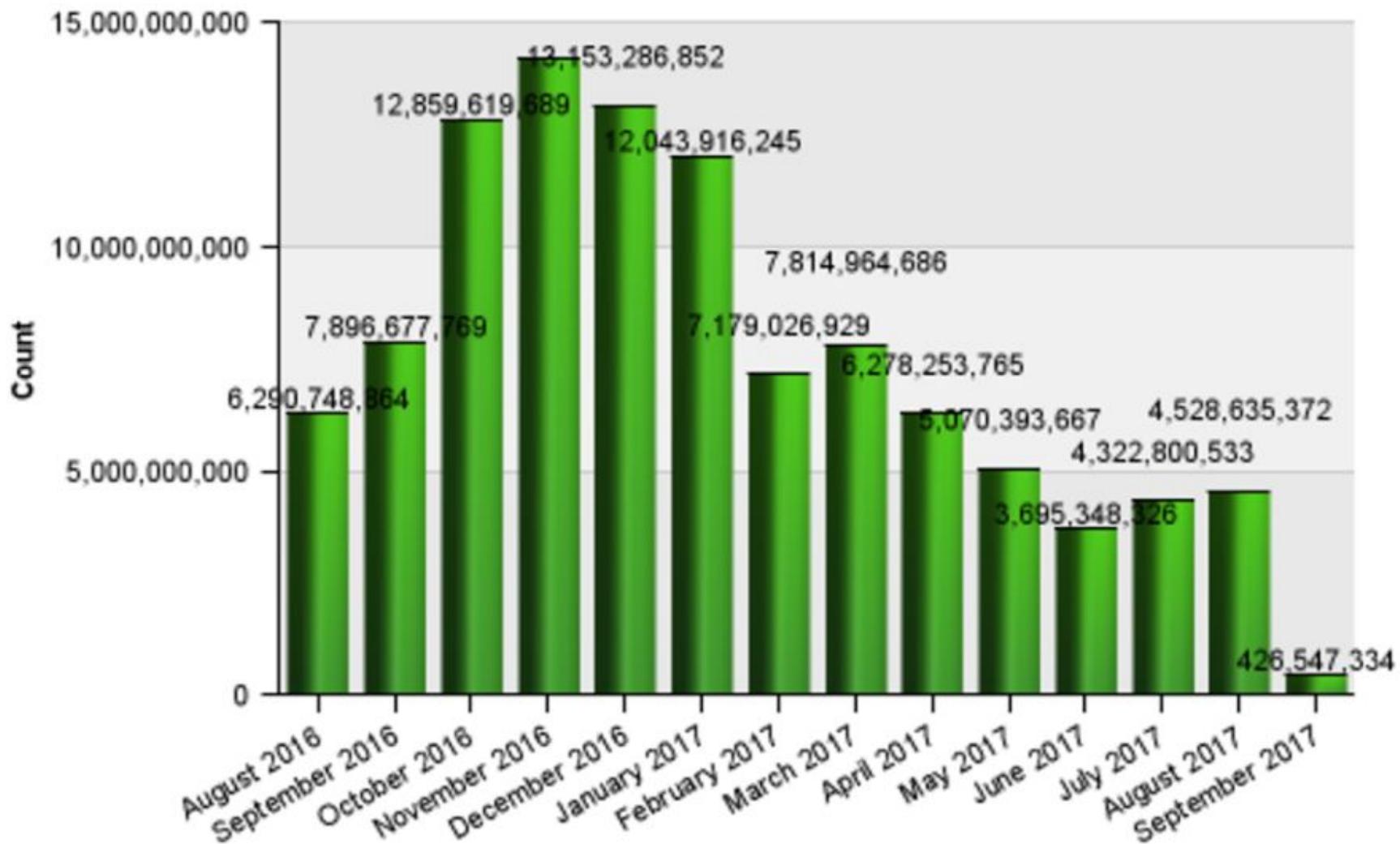
- hosting rate change
- mobile device security
- compensation package



Challenges

- compensation Package
- set rates 14 months in advance of effective date
- many different funding sources
- funding impacts

Security Deep Dive



Chief Information Security Officer Duties

63F-1-211

- assess cybersecurity risks
- coordinate with executive branch agencies to assess the sensitivity of information
- manage cybersecurity support for the department and executive branch agencies

Organization

- 18 FTEs
- 2 divisions
 - Security Operations
 - Agency Compliance
- all DTS employees contribute to security
- agency business security employee

Services Provided

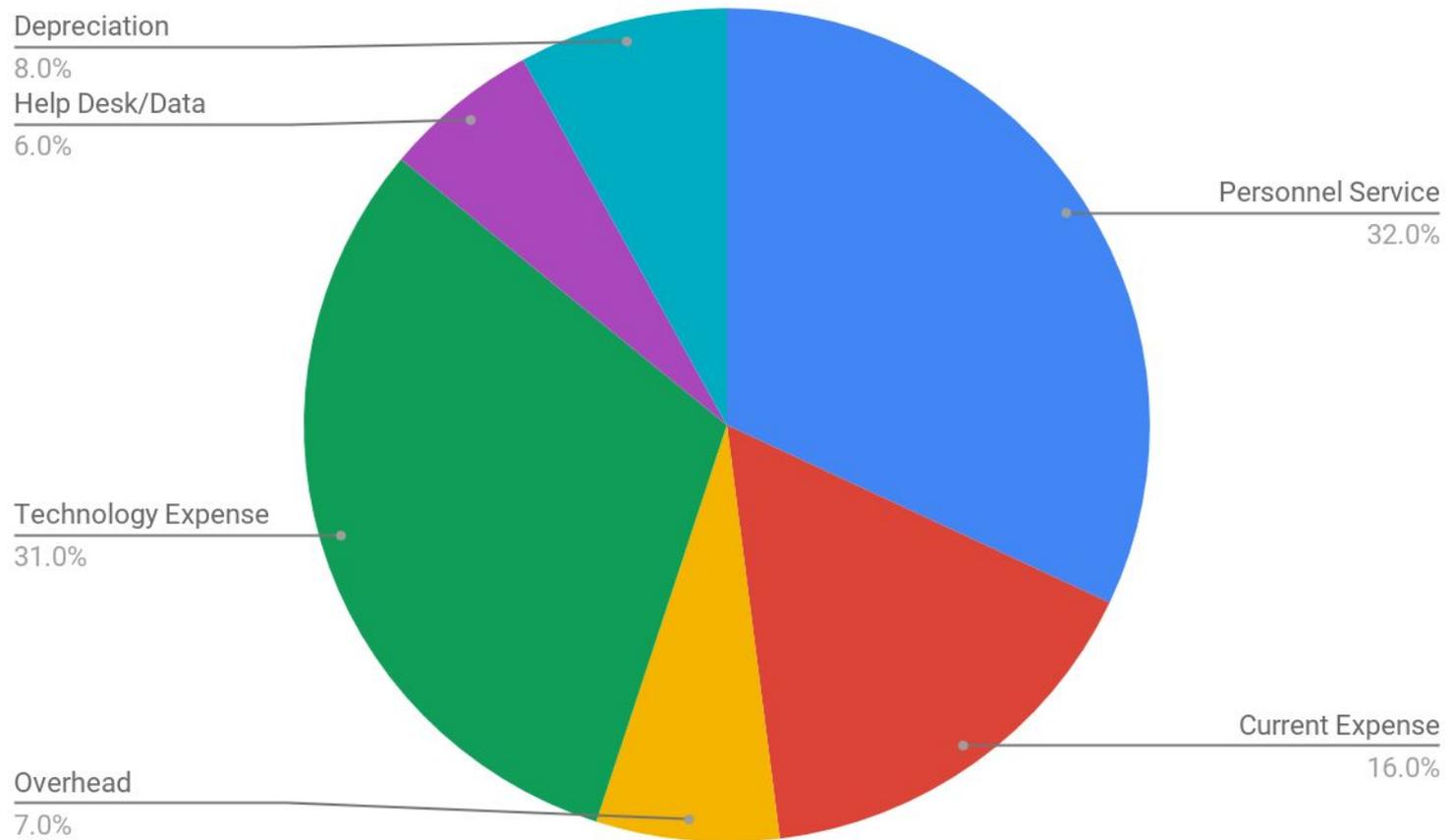
- \$623,000 enhanced mobile device security
- \$1.5 million for governance, compliance, and risk management tool; and compliance enforcement tool
- assessment
- cyber insurance
- cyber center

Security Rate

FY19 Budget \$8.5 million

FY17 \$6.9 million

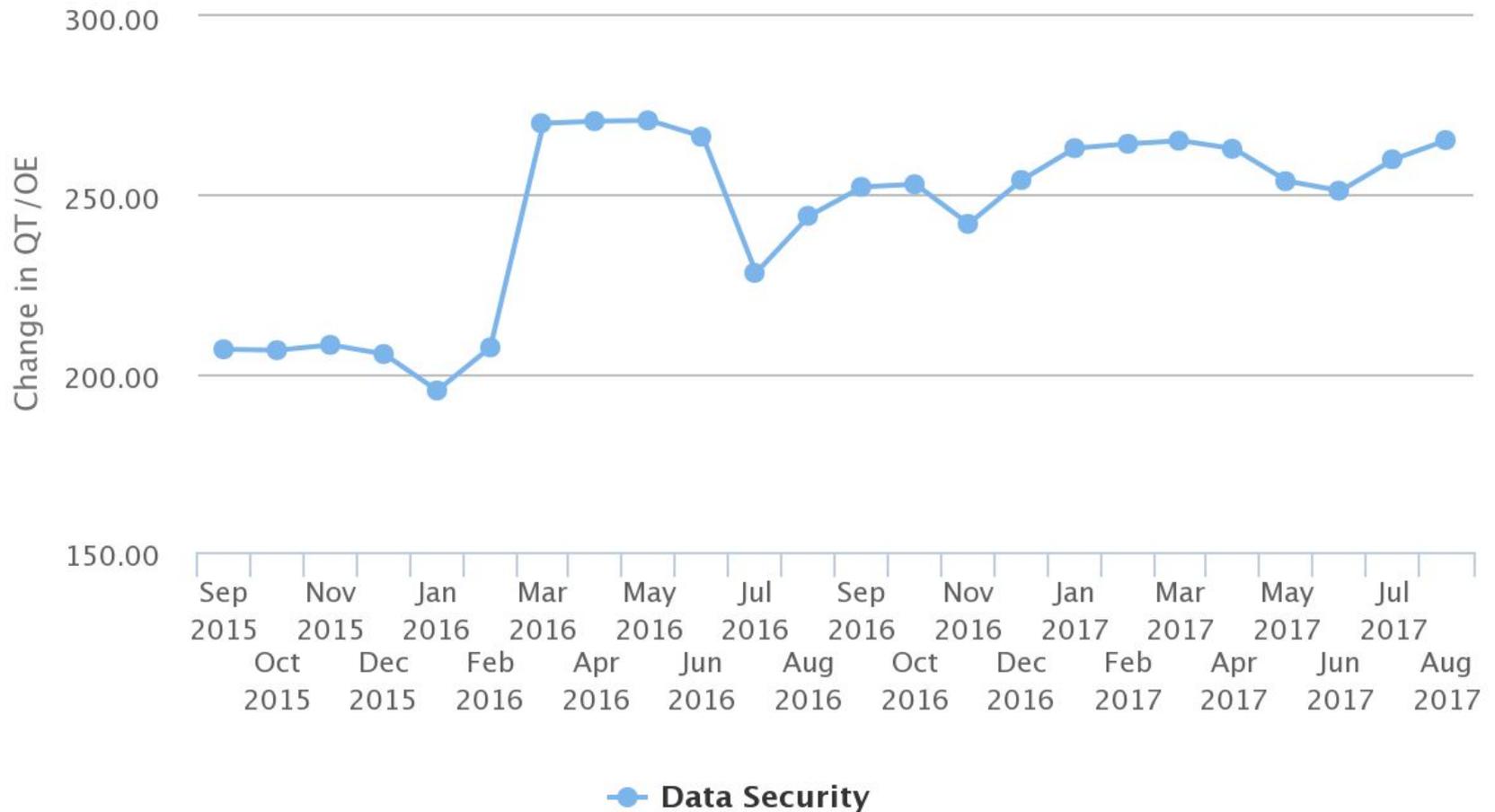
FY18 \$7.8 million



Performance Metrics

Change in QT/OE

From Sep 2015 to Aug 2017



Challenges

- compensation package
- rate impacts
- continued increase in funding for security