



STATE OF CONNECTICUT
**Department of
Information Technology**



**State of Connecticut Department of Information Technology
Testimony of Chief Information Diane S. Wallace**

Before the Appropriations Committee of the Connecticut General Assembly

February 10, 2009

Chairpersons Harp, Geragosian, and Honorable Members of the Appropriations Committee; my name is Diane S. Wallace, Chief Information Officer (CIO) of the State of Connecticut Department of Information Technology (DOIT).

Thank you for this opportunity to testify before you today in support of Governor M. Jodi Rell's proposed budget for fiscal years 2010 and 2011.

Governor Rell's budget reduces DOIT's budget by approximately \$4 million over each of the next two fiscal years. Half of the reductions – or approximately \$2.1 million -- come through the consolidation of Core-CT staff into the Office of the State Comptroller and the Department of Administrative Services. We are in support of this as part of ongoing efforts to concentrate the expertise and resources associated with this major project, to which DOIT provides technical support.

Remaining reductions come through the other expenses (O/E) account, including \$184,000 in general holdbacks and the removal of inflation adjustments.

An additional \$292,000 in O/E reduction, as well as \$225,000 as part of the FY 2009 rescissions, will result in the elimination of three additional IT consultants. This is consistent with our ongoing efforts to reduce consultant expenditures. An additional \$182,000 reduction will be achieved through the elimination of two vacant positions.

The budget proposal also reflects our recommendation to delay planned upgrades to the Connecticut Education Network, the state's \$45 million, advanced fiber-optic network that provides high speed network connectivity to the State's academic institutions and public libraries.

We stand in strong support of the Governor's budget and commend her for the tough choices she continues to make. We also stand ready to continue our efforts to help bring about savings and efficiencies not only at DOIT but in our customer agencies as well.

DOIT has used results-based accountability since 2005 to measure progress, set priorities, and shift resources where they are needed and will have the most impact.

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Since FY 2005, overall state IT spending for IT goods and services has increased just 1.86 percent – or just \$2.1 million. Annual IT consultant expenditures alone have dropped 30 percent during that same time period.

We are focusing only on the necessary, and putting measures in place to continue to control costs statewide.

We are accelerating the deployment and use of new project controls to increase cost effectiveness and on-time delivery of major IT projects both at DOIT and in the agencies.

Statewide, our new system development methodology (SDM) is being applied to IT projects statewide – a new discipline to drive results with seven phases and 50 tools to help project teams deliver technology projects faster and more accurately. It is helping to force tough decisions and priorities – something that is needed more than ever during these challenging budget times.

We also have ten task forces at work aggressively looking for additional savings opportunities across the board.

They are focusing on practices that have paid off over the past three years that have been proven to deliver. They are revisiting IT and telecommunications contracts – using our leverage to obtain more favorable rates.

They are planning equipment consolidations, and alternate data storage strategies. They are also developing strategic product and system standards that save agencies money and enable the state to use its limited resources more effectively.

Sustaining the cost containment and savings required by the new budget reality will require removing some flexibility on product choices, and aggressively pursuing and enforcing savings using standard technology products that meet business requirements.

DOIT delivers IT services to all executive branch state agencies. DOIT also sets statewide IT standards. Both are powerful tools that can help agencies do more with less.

Nowhere is this more apparent than in our Data Center, where we host more than 100 statewide and agency IT systems, including the state's most critical financial, public safety, health and human service applications.

We are now hosting 42 percent more applications for agencies that we were in FY 2006 – and we did this without increasing our budget. We are meeting this rising demand by using virtualization technology to get more out of the servers we already have.

Every day we look to bring savings to our agencies – from the contracts we negotiate, the services we offer and the practices we promote.

Technology can truly help us do more with less, and cost less as well. Our basic services save agencies time and money, and use economies of scale to deliver new efficiencies.

Our internet filtering system, for example, is now used by 70 agencies. It has blocked 15 million visits to unsafe sites, and agencies find it an affordable, effective alternative to maintaining their own system. By March, all agencies will be required to use it – replacing the need to maintain their own systems. The Department of Mental Health and Addiction Services alone, which joined in 2007, estimates its annual savings at \$22,900 per year.

We also provide a centralized email system, which carries more than 4 million emails per month or 48 million a year. This system now spans 42 agencies and more than 25,000 email accounts. And by using our system, agencies do not have to maintain and pay for their own. There is currently a backlog of smaller agencies lining up to join – and we cannot get them in fast enough.

We are producing reusable and scalable solutions in-house – so agencies do not have to go outside to buy technology solutions.

We have more than 70 agencies and organizations that use our website portal services, which provides a common template that can be adapted for agency use and is easy to maintain. We are also launching an online learning system that agencies can use to provide training courses to their employees – rather than hiring multiple outside firms to do the same.

Our new online payment service is now being used by three agencies and has processed nearly 30,000 payments in 2008. The three agencies – the Department of Insurance, the Office of State Ethics and the Department of Consumer Protection -- will soon be joined by the Department of Education, and the State Board of Accountancy. Other anticipated users are the Department of Motor Vehicles and the Department of Public Health.

We are also working with multiple agencies to leverage online licensing solutions, so that they can learn from each other's experiences and avoid costly mistakes and delays in the process. We are currently working with the Department of Public Health to make online licensing a reality in an accelerated timeframe required to use available federal funds.

We are leveraging our buying power to reduce current costs.

DOIT provides a central network connecting more than 1,000 points statewide, including state prisons, motor vehicle branch offices, state police barracks and social services offices from all of our major human service agencies.

We expanded the network capacity by 660 percent, to accommodate current and future use of the internet and online services. At the same time we were able to lower the current access rates by more than \$5,000 per month.

We are also focusing on leveraging our collective buying power, seeking lower rates for all of our existing telecommunication contracts and working with the Gartner Group on strengthening our hand when negotiating IT contracts off of which the state must purchase.

These are just a few examples of where we have found leveraging opportunities.

Nowhere is the payoff more substantial than in the area of IT security.

We take IT security seriously and our efforts go well beyond the visible and obvious, such as the record setting encryption of more than 6000 state laptop computers last year in less than 3 months.

Each day, we have systems, staff and programs at work to protect state IT systems from external threats. Since FY 2006, we blocked four million intrusion attempts and other threats from entering the state network that could have damaged the systems upon which thousands rely.

We have also blocked 1.16 billion spam e-mails, and protected 10,000 devices across 30 agencies from 603,442 virus attacks. It is one of our most important roles, and one that we will continue to expand in the most cost effective way.

I want to assure you that DOIT will continue to deliver the economies of scale that our customers expect. We have a three year history of saving money for the State, and we stand ready to accelerate this work and position our agency and those we serve to operate optimally in the new, more affordable government we strive to become.

Thank you – and I look forward to any questions you might have.