

Appendix E – IT Spend Trend Analysis FY 2008 - FY 2024

Historically, the IT Spend Trend analysis was performed using four categories of data. Data used in three of the IT Spend categories were from Cardinal, provided to VITA by the Virginia Auditor of Public Accounts (APA), VITA Infrastructure and Telecommunications, IT Payroll associated with Operations & Maintenance, and Non-Payroll spending associated with Operations & Maintenance. The fourth category is IT Project data, extracted from the Commonwealth Technology Portfolio application (CTP).

Beginning in fiscal year (FY) 2021, IT Payroll expenses were not reported separately due to a change in Cardinal account codes, as communicated in *DPB Report: Chart of Accounts Changes* (July 9, 2020). Since then, salaries and wages data has been provided by the Departments of Accounts (DOA) based upon IT classified personnel data in human resources management systems.

Exhibit 1 shows IT project dollars for investments for fiscal years 2008 through 2024. These cost figures were taken from the data reported by Executive Branch agencies. FY 2024 was slightly lower than the previous year, and previous years in general. The Virginia State Police STARS Infrastructure and Subscriber Upgrade project, the Virginia Department of Social Services VA Child Support & Mgmt Process System (vCHAMPS) project, and the Department of Corrections Electronic Healthcare Records project had the top three reported expenses. These three projects had combined expenditures of \$56,167,573, during FY 2024.

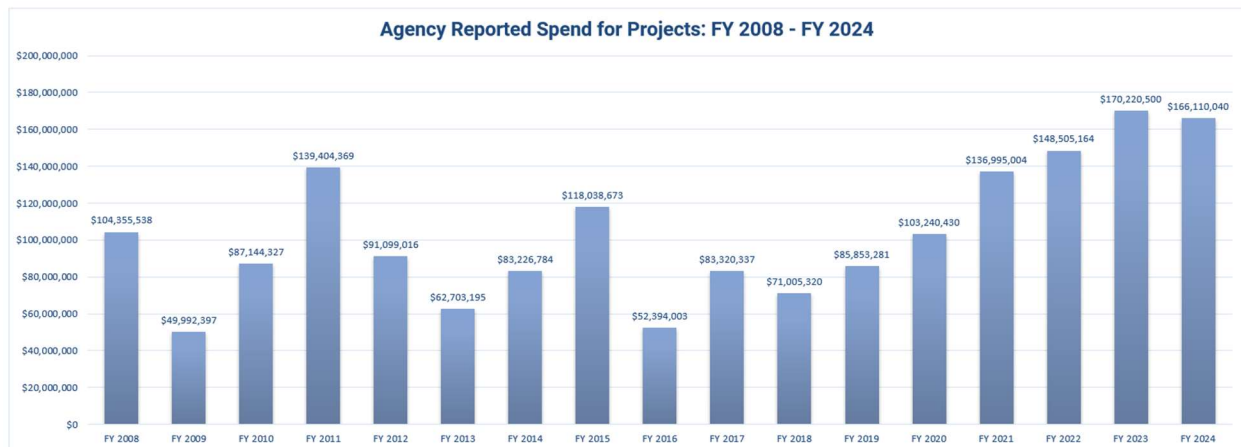


Exhibit 1: IT project dollars spent on projects in FY 2008-2024 by Executive Branch agencies.

Overall IT expenditures for FY 2008 through FY 2024 for Executive Branch agencies for which the Chief Information Officer of the Commonwealth provides oversight and governance can be seen in Exhibit 2. This graph shows the breakout between VITA infrastructure & telecommunications, agency project spending under oversight and governance, and ongoing operations and maintenance (O&M) over the period of 17 fiscal years. These expenditures do not include the Commonwealth's independent agencies and authorities, Tier 2 & Tier 3 higher education institutions, or Judicial Branch and Legislative Branch agencies. The data for each of the fiscal years are from year-end reports from the Commonwealth accounting system of record—Commonwealth Accounting and Reporting System (CARS) through FY 2016 and

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Cardinal beginning FY 2017—and are provided by the Auditor of Public Accounts (APA). Payroll data was included in that information until FY 2021 and since has been provided by DOA as IT classified personnel salaries and wages. In the past, agencies have not reported against baselines for projects of less than \$250,000 on the Commonwealth IT Project Status Report Dashboard or in CTP. Accordingly, VITA does not have a method for determining dollars spent in a given fiscal year for those projects. These dollars are embedded within the O&M category at this time.

Formerly CARS, and now Cardinal captures agency-reported data, making IT spend totals wholly dependent upon accurate coding of expenditures by agencies.

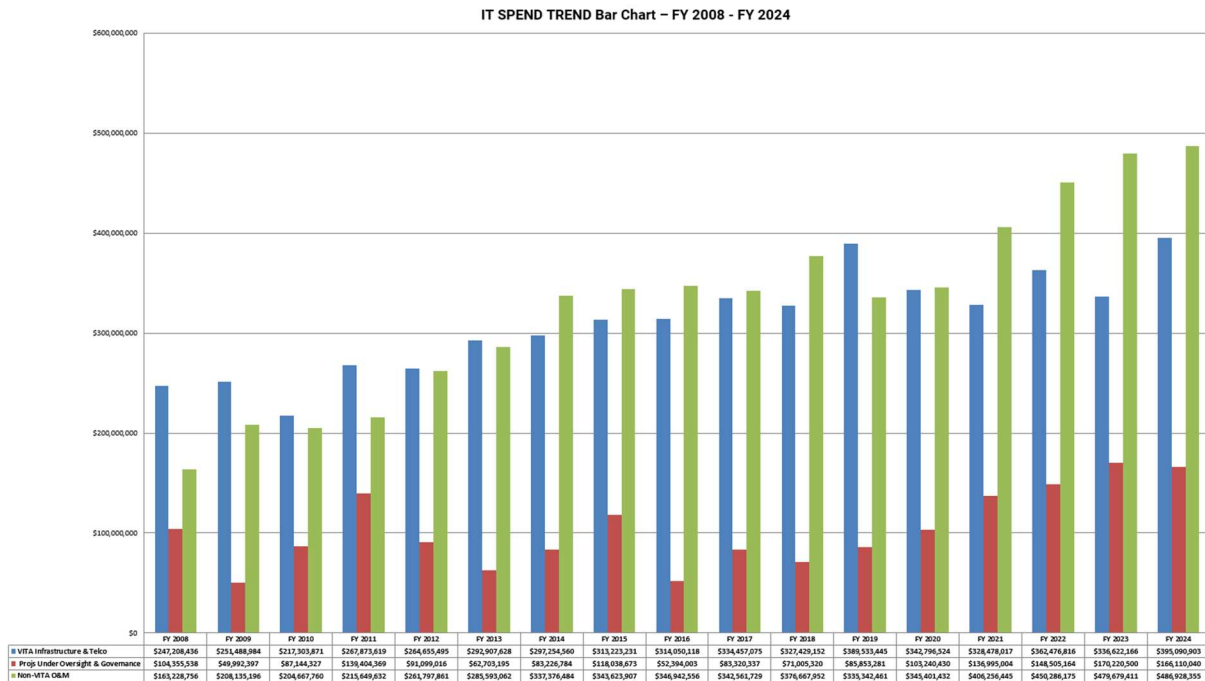


Exhibit 2: IT spend trend for FY 2008 through FY 2024 for In-scope Executive Branch agencies.

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Exhibit 3 below shows expenditure breakouts by percentages for each category for FY 2024 only.

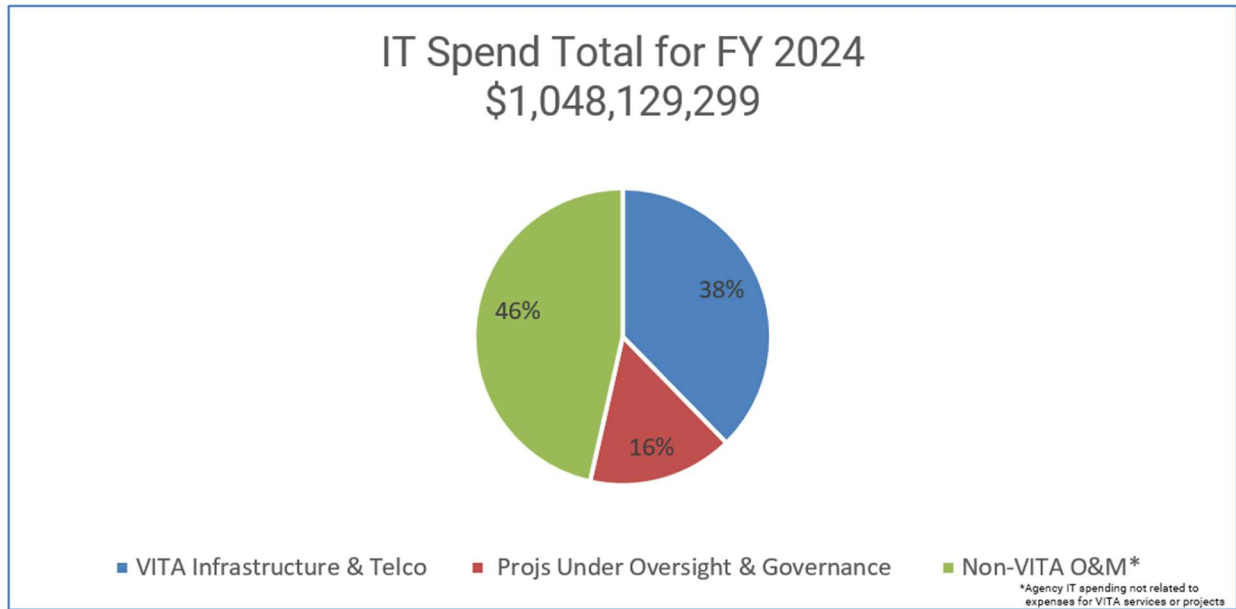


Exhibit 3: IT Spend Total for FY 2024

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Effective beginning in fiscal year (FY) 2021, IT Payroll expenses were not reported separately due to a change in Cardinal account codes, as communicated in *DPB Report: Chart of Accounts Changes* (July 9, 2020). As such, salaries and wages data has been provided by the Departments of Accounts (DOA) since then, and is based upon IT classified personnel data in human resources management systems. The IT Spend Trend line graph below (Exhibit 4) shows a noted increase between FY 2020 and FY 2021, and corresponds with agencies losing the ability to report IT Payroll expenses in Cardinal and IT classified personnel salaries & wages data being used since for that information. The increase reflects a \$58,000,000 jump for that category, and is estimated to be related to the different of sources providing the data.

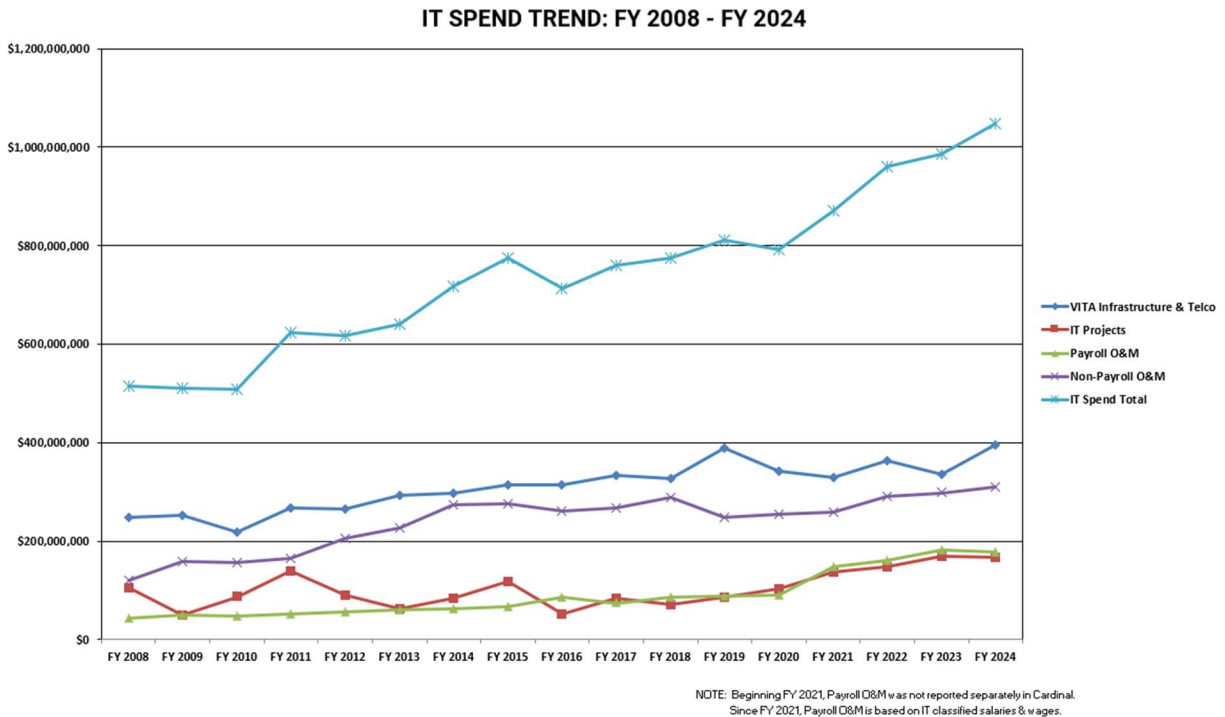


Exhibit 4: IT spending trends for FY 2008 through FY 2024 for In-scope Executive Branch agencies.