

Appendix E – 2022 IT Spend Trend Analysis FY2008-FY2022

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).

NOTE: 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).

Exhibit 1 shows IT project dollars spent on new investments for fiscal years 2008 through 2022. These cost figures were taken from the data reported by Executive Branch agencies. FY2022 was higher than previous years because of expenditures related to the Department of Accounts (DOA) Cardinal Statewide Human Capital Management project, the Department of Medical Assistance Services (DMAS) Medicaid Enterprise System (MES) Fee for Service and Core Processing project and the Virginia IT Agency (VITA) Data Center Relocation Program (DCRP). These three projects had combined expenditures of \$42,085,023 during FY2022.

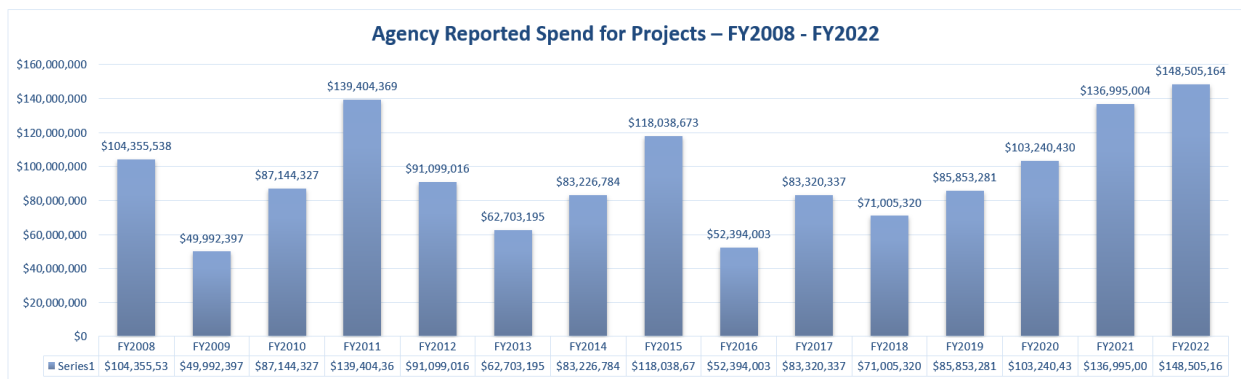


Exhibit 1: IT project dollars spent on projects in FY2008-2022 by Executive Branch agencies.

Overall IT expenditures for FY2008 through FY2022 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 fourteen fiscal years. These expenditures do not include the Commonwealth’s independent agencies and authorities, 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 FY2016 and Cardinal beginning FY2017—and are provided by the Auditor of Public Accounts (APA). In the past, agencies have not reported against baselines for projects of less than one million dollars 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.

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

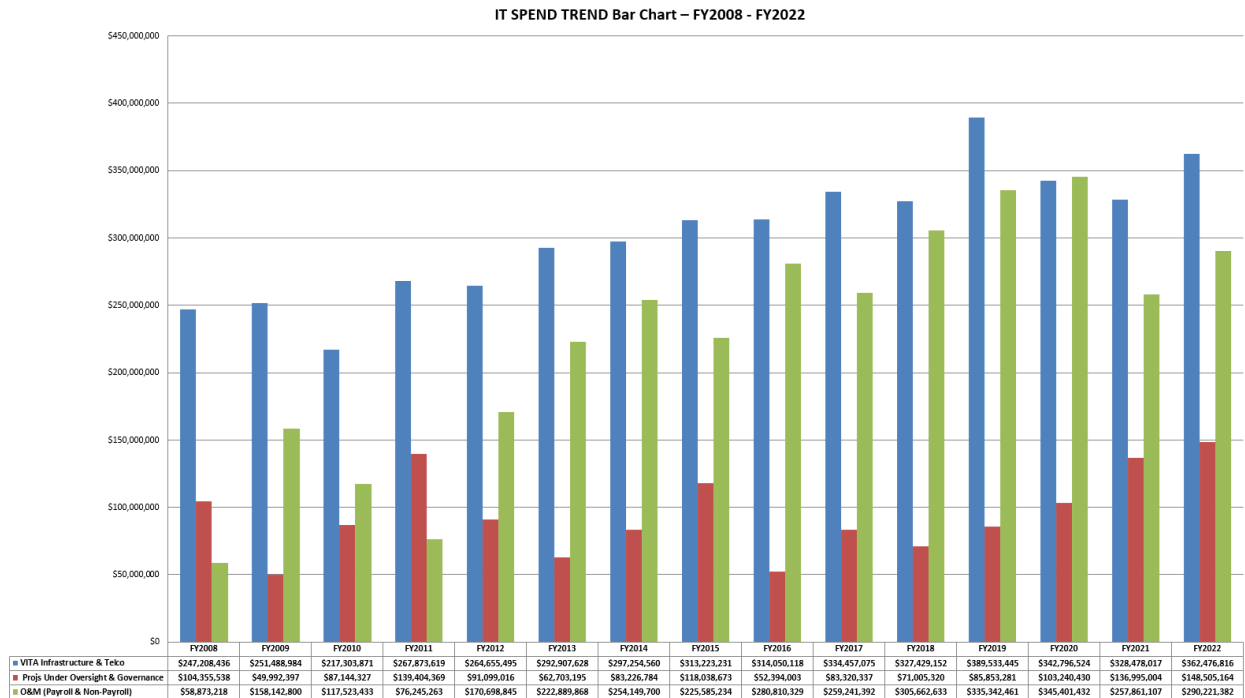


Exhibit 2: IT spending trend for FY2008 through FY2022 for In-scope Executive Branch agencies

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Exhibit 3 below shows expenditure breakouts by percentages for each category for FY2022 only.

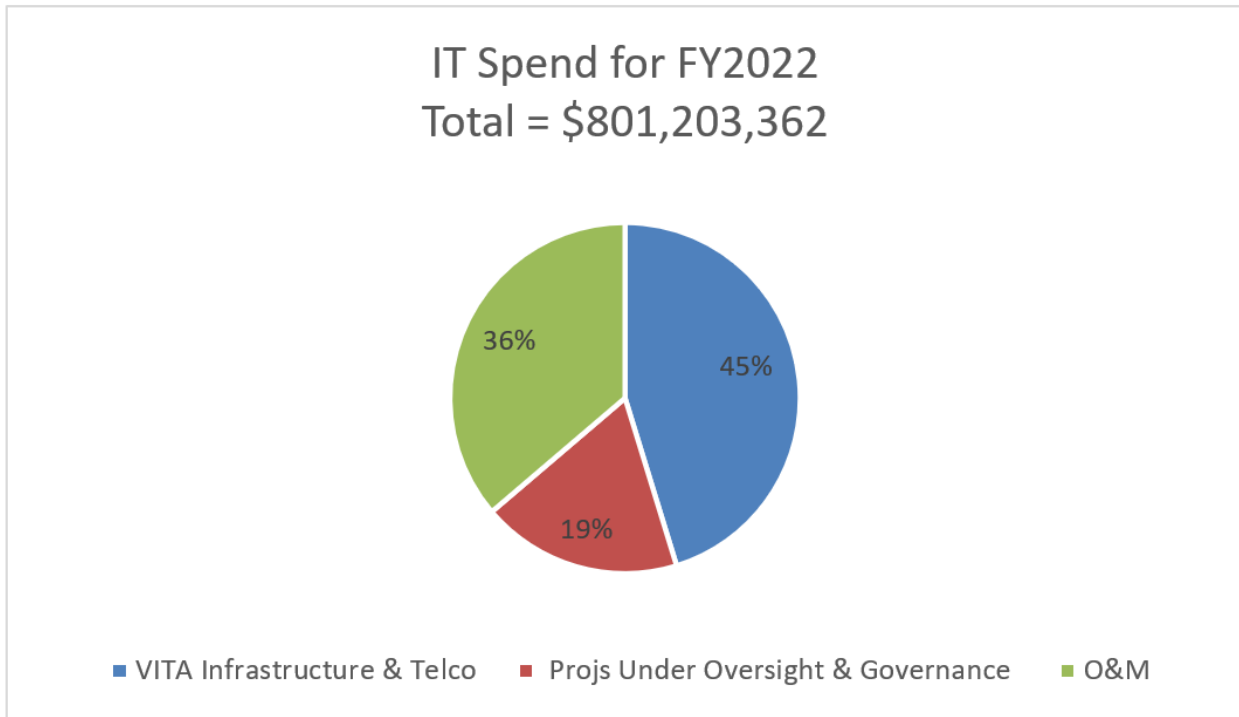
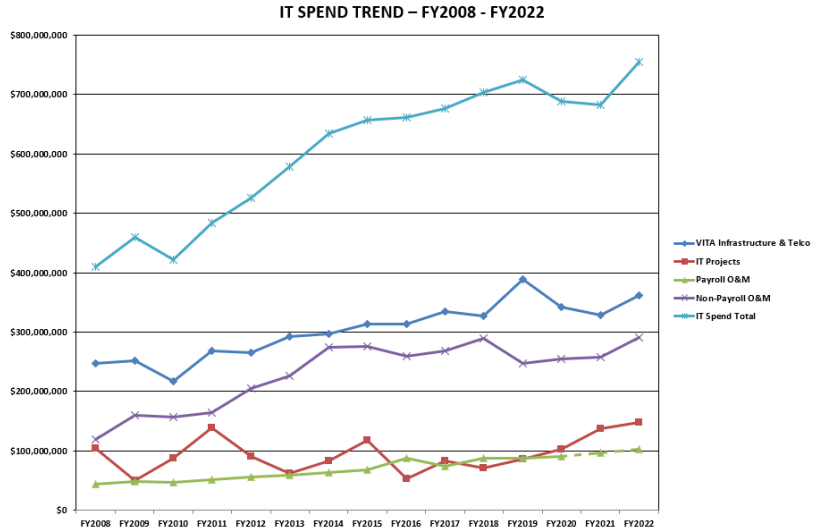


Exhibit 3: IT Spend for FY2022; total equals \$801,203,362

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The IT Spend Trend line graph below (Exhibit 4) shows an increase in VITA Infrastructure & Telco costs.

Category	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
VITA Infrastructure & Telco	\$247,208,436	\$251,488,984	\$217,303,871	\$267,873,619	\$264,655,495	\$292,907,628	\$297,254,560	\$313,223,231	\$314,050,118	\$334,457,075	\$327,429,152	\$389,533,445	\$342,796,524	\$328,478,017	\$362,476,816
IT Projects	\$104,355,538	\$49,992,397	\$87,144,327	\$139,404,369	\$91,099,016	\$62,703,195	\$83,226,784	\$118,038,673	\$52,394,003	\$83,320,337	\$71,005,320	\$85,853,281	\$103,240,430	\$136,995,004	\$148,505,164
Payroll O&M	\$43,793,131	\$48,846,180	\$47,291,074	\$51,166,524	\$56,028,327	\$59,523,097	\$63,590,969	\$67,625,930	\$86,908,517	\$74,345,811	\$86,972,397	\$87,760,633	\$90,283,065	\$96,007,011	\$102,093,856
Non-Payroll O&M	\$119,435,625	\$159,289,016	\$157,376,686	\$164,483,108	\$205,769,534	\$226,069,965	\$273,785,515	\$275,997,978	\$260,034,039	\$268,215,918	\$289,695,555	\$247,581,827	\$255,118,367	\$257,861,107	\$290,221,382
IT Spend Total	\$410,437,192	\$459,624,180	\$421,971,631	\$483,523,251	\$526,453,356	\$578,500,691	\$634,631,043	\$656,847,139	\$660,992,675	\$677,018,804	\$704,097,104	\$724,875,905	\$688,197,956	\$682,346,135	\$754,792,054



NOTE: Beginning FY2021, Payroll O&M was not reported separately in Cardinal. Payroll O&M totals therefore are estimates for the purposes of this graph.

Exhibit 4: IT spending trends for FY2008 through FY2022 for In-scope Executive Branch agencies (Note: Beginning FY2021, Payroll O&M was not reported separately in Cardinal. Payroll totals for FY2021 & FY2022 are estimates.)