



FY24-25 Budget Information

Introduction:

Good morning. My name is Denis Goulet, and I am the Commissioner of the Department of Information Technology (DoIT). Joining me today is Ken Dunn, Deputy Commissioner of DoIT and Rose Curry, Director of Finance.

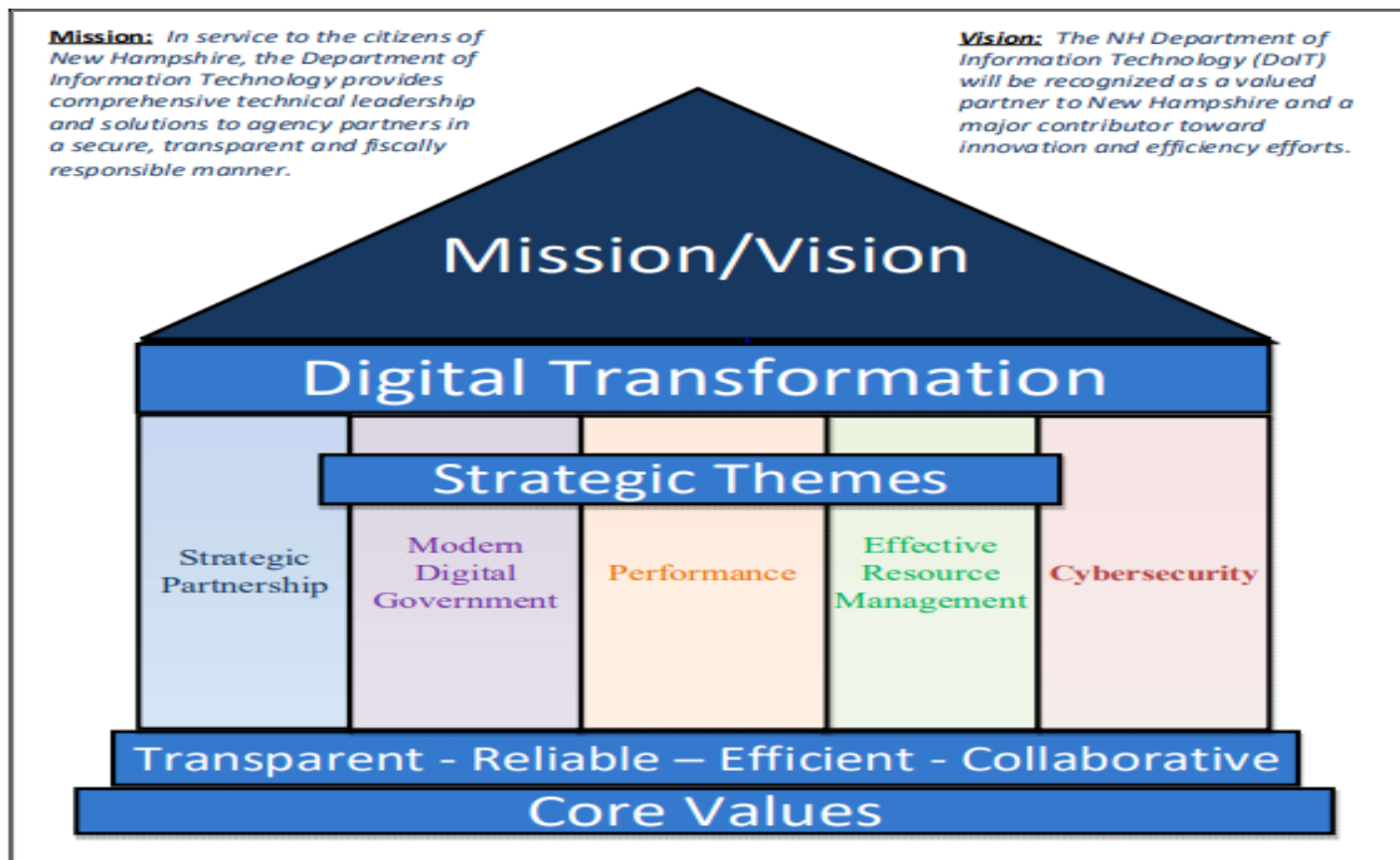
Thank you for the invitation to testify today and I welcome the opportunity to provide a high-level overview of DoIT's proposed FY24/25 House Phase operating budget.

The Department of Information Technology is a centralized organization that works with all executive branch agencies to manage the state's technology infrastructure, products, applications, and procurement processes in a consistent, secure and cost-effective manner. DoIT also manages statewide telecommunications architecture and service functions.

DoIT's full responsibilities are outlined in RSA 21-R. Our budget is defined on a biennial basis by working with each individual agency to address unique needs (via a direct chargeback method) as well as enterprise needs and services that would benefit all agencies (via shared services chargeback methods). In addition, the telecommunications infrastructure and associated support are maintained through a revolving fund. The revolving fund enables Telecommunications to define fixed rates to fund ongoing operations and charge agencies for extra services when required and as needed.

DoIT’s Strategic Initiatives:

The New Hampshire Information Technology Plan outlines the high-level mission, vision, themes, and objectives that will drive technology within New Hampshire state government over the next several years. Strategic planning is a necessity of any organization because it defines where you are now, where you wish to be and what fundamental efforts need to be taken to bridge gaps and ensure success. The 2021 - 2025 State of New Hampshire strategic plan focuses on strategic partnerships, modern digital transformation, strengthening cybersecurity posture and awareness, improving system performance and the promotion of effective resource management, and was ratified on November 8, 2021, by the IT Council. A soft copy of the Strategic IT Plan can be found at this link: [Strategic Planning | NH Department of Information Technology](#)



Major Program Changes:

During the past 2 years, DoIT's program focus has been on developing and leveraging enterprise solutions across agencies to reduce costs, drive efficiencies and rapidly deploy solutions as needed. When the COVID crisis hit, DoIT and its partners were able to quickly address the needs of the executive branch agencies, the Governor's office, and the citizens and businesses of the State through technologies already in place.

At the onset of the pandemic, DoIT faced a surge of telework requests and the resulting demands on our network & infrastructure, along with the surge from citizens and businesses seeking unemployment assistance and information from our public health systems. A tenfold increase in network capacity, the setup of multiple call centers, the ability to provide citizen and businesses access to State websites, resources, and dashboards, while safely moving a large majority of State employees to work from home were achieved in days or weeks, utilizing the enterprise solutions and partnerships that had been implemented due to COVID protocols.

COVID related requirements have not ended, and many of the solutions already in place will continue to expand, consistent with our strategic plan. During the upcoming biennium, DoIT will continue to focus on enterprise solutions, development of digital government capabilities, and expanded use of cloud hosted technologies, along with implementing the necessary governance and security needs to manage and protect state sensitive information.

DoIT Cybersecurity:

Cybersecurity is a foundational necessity for the Executive Branch of the State of New Hampshire as virtually all missions and business functions rely on the confidentiality, integrity, and availability of our data and digital information infrastructure. We deploy a mutually supportive group of hardware and software tools, policy and procedures, and services to improve the cybersecurity of our systems, networks and most important of all – our citizen data. Threats to our critical information and to the systems that access, process and store that data are continuous and are in fact increasing both in number and level of sophistication. Cyber crimes are profitable and have a relatively low cost of entry, especially at the State and Local Government levels.

Over the past biennium, DoIT has taken significant strides to assess and upgrade our cybersecurity posture. We contracted with a cybersecurity firm to conduct a comprehensive cybersecurity risk assessment of the enterprise to assess the depth, breadth

and efficiency of our cyber posture in seven major areas: IT asset inventory, endpoint, server and network security, data and application security, and our cyber program. The outcome of the assessment was a detailed report that described our strengths, weaknesses, and cyber gaps, as well as a prioritized list of recommendations that have been factored into our short- and long-term cyber strategy. We also implemented new network intrusion prevention and security monitoring capabilities which have greatly enhanced our ability to monitor, detect and block malicious cyber activity.

Although our cybersecurity posture has been fully assessed and new cyber protections put in place, the threat landscape continues to grow due to two main factors: 1) increasingly diverse agency IT requirements and citizen-centric services, and 2) the increasing use of cloud hosted applications and services. These factors continue to impact our risk posture in new and often unpredictable ways and creates additional data entry points into a state network that had primarily been on-premises with understood cyber risks. Additionally, the increasing usage of cloud-based applications and services has introduced new challenges into how we collect, store, and transmit sensitive state information, which may now reside outside the physical control of our network and data center.

Significant progress has been made in our overall security posture. However, DoIT must continue to adjust and adapt cyber defense and protection capabilities to respond to the ongoing threats that have the capability and capacity to change their tactics, techniques, and procedures more quickly than a State or Local Government entity can ever hope to do, in a highly diverse and cloud-hosted IT environment. Consequently, we must continue to evolve our cybersecurity strategy, policy, procedures, and proactive capabilities accordingly.

DoIT Proposed FY24/25 Budget Request:

The DoIT operating budget is established by working collaboratively with executive branch State agencies. This collaboration allows agency and DoIT staff to work together in defining and identifying resources that are required to support the mission of DoIT and each individual agency. The budget as presented today fairly represents the resources DoIT requires over the next two years to provide a comprehensive technical leadership and solutions to agency partners in a secure, transparent, and fiscally responsible manner.

Key FY24/25 DoIT Budget Trends:

- Agencies Continue to Increase Technology Spend and Shift More Funds into their DoIT Budget (Class 27)
 - IT Based Contracts and Services
- Agencies Requesting Additional Resource Needs and New Skills to Drive Transformation
 - Consultants and Service Integrators
- Shift from One Time Funds to Operating Expense
- Hardware and Software Vendor Acceleration to Subscription Based Products
- Price Increases in Hardware, Software and Services due to Supply Chain, Transportation and Raw Material Challenges
- Shorter Equipment Lifecycles Driven by Cyber Security - Federal Compliance Requirements and Payment Card Industry Standards

DoIT Governor’s HB 1 Approved Budget Request:

DoIT Budget	FY 2023 Adjusted Authorized Budget	FY 2024 Governor’s Approved Budget Request	FY 2024 Increase (Decrease) over FY 2023	FY 2025 Governor’s Approved Budget Request	FY 2025 Increase (Decrease) over FY 2024
Direct Agency IT Budget (A/U 76070000-76970000, A/U 77020000)	\$47,469,916	\$62,107,779	\$14,637,863	\$62,755,868	\$648,089
Central IT Services and Operations (A/U 77030000)	\$12,735,581	\$15,908,684	\$3,173,103	\$15,932,530	\$23,846
IT Salaries and Benefits (A/U 77080000)	\$47,224,177	\$45,598,510	(\$1,625,667)	\$46,786,919	\$1,188,409
Statewide Telecommunications (A/U 52130000)	\$6,047,933	\$6,145,117	\$97,184	\$6,333,608	\$188,491
TOTALS	\$113,477,607	\$129,760,090	\$16,282,483	\$131,808,925	\$2,048,835
Revenue					
001-Other	\$107,429,674	\$123,614,973	\$16,185,299	\$125,475,317	\$1,860,344
003-Revolving Fund	\$6,047,933	\$6,145,117	\$97,184	\$6,333,608	\$188,491
TOTALS	\$113,477,607	\$129,760,090	\$16,282,483	\$131,808,925	\$2,048,835

<u>DoIT Governor’s HB 1 Approved Budget Request:</u>	FY 2024	% Increase over FY 2023	FY 2025	% Increase over FY 2024
Direct Agency IT Budget (A/U 76070000-76970000, A/U 77020000)	\$62,107,779	30.84%	\$62,755,868	1.04%
Central IT Services and Operations (A/U 77030000)	\$15,908,684	24.92%	\$15,932,530	0.15%
IT Salaries and Benefits (A/U 77080000)	\$45,598,510	-3.44%	\$46,786,919	2.61%
Statewide Telecommunications (A/U 52130000)	\$6,145,117	1.61%	\$6,333,608	3.07%
TOTALS	\$129,760,090	14.35%	\$131,808,925	1.58%

DoIT Governor's HB 1 Approved Budget Request by Class:

DoIT Budget by Class	FY 2023 Adjusted Authorized Budget	FY 2024 DoIT Governor's HB 1 Approved Budget	FY 2025 DoIT Governor's HB 1 Approved Budget
10-Personal Services-Classified	\$28,597,182	\$27,338,561	\$27,826,320
12-Personal Services-Unclassified	\$1,443,454	\$1,374,188	\$1,378,863
18-Overtime	\$943,411	\$1,060,083	\$1,064,347
20-Current Expenses	\$242,338	\$250,869	\$252,126
22-Rents Other than State	\$261,988	\$8,856	\$8,856
25-State Owned Equip Usage	\$27,000	\$31,134	\$33,547
26-Organizational Dues	\$13,500	\$15,000	\$15,000
28-Transfer to General Services	\$824,275	\$986,536	\$996,754
30-Equipment	\$450	\$37,875	\$14,520
37-Technology-Hardware	\$10,867,526	\$13,208,817	\$12,923,276
38-Technology Software	\$27,759,016	\$38,792,761	\$39,074,556
39-Telecommunications	\$2,765,602	\$3,052,665	\$3,208,113
42-Additional Fringe Benefits	\$2,494,839	\$2,312,218	\$2,352,618
46-Consultants	\$20,424,371	\$25,225,970	\$25,866,957
49-Transfer to Other State Agencies	\$563,740	\$13,581	\$14,380
50-Temp Part Time	\$487,294	\$519,234	\$540,004
57-Books	\$2,060	\$2,060	\$2,060
59-Temp-Full Time	\$280,613	\$273,235	\$285,521
60-Benefits	\$15,100,973	\$14,688,014	\$15,364,597
62-Worker's Comp	\$65,370	\$153,030	\$155,311
66-Training	\$237,151	\$336,878	\$350,982
70-In State Travel	\$26,251	\$32,301	\$32,343
80-Out of State Travel	\$7,001	\$16,000	\$17,650
89-Transfer to DAS Maintenance Fund	\$42,202	\$30,224	\$30,224
Grand Total	\$113,477,607	\$129,760,090	\$131,808,925
<i>% Increase Year over Year</i>		14.35%	1.58%

Direct Agency IT Budget - Consists of those items allocated 100% to a particular agency (A/U 76070000 thru 76970000 and A/U 77020000)

DoIT Budget	FY 2023 Adjusted Authorization Budget	FY 2024 DoIT Governor's HB 1 Direct Budget	Increase over FY 2023	FY 2025 DoIT Governor's HB 1 Direct Budget	Increase over FY 2024
Direct Agency IT Budget (A/U 76070000-76970000 and A/U 77020000)	\$47,469,916	\$62,107,779	\$14,637,863 30.84%	\$62,755,868	\$648,089 1.04%

- PC devices (laptops and desktops) & peripherals
- Server hardware
- Software licenses such as MS Office Suite and Oracle
- Mainframe software
- Network equipment
- Agency specific software licenses
- Software including maintenance for applications such as Electronic Medical Records and desktop solutions
- Consultants in support of modernization of IT systems, RIMS, New Heights, VISION, and J-One

In FY24/25 the following seven agencies accounted for over 92% of the overall agency direct budget:

	FY 2024		FY 2025	
	<u>\$62,107,779</u>	% Agency-FY 2024 DoIT Governor's HB 1 Direct Budget	<u>\$62,775,868</u>	% Agency-FY 2025 DoIT Governor's HB 1 Direct Budget
<u>Top Seven Agencies:</u>				
Department of Health and Human Services	\$31,520,920	50.75%	\$32,621,933	51.98%
Department of Safety	\$12,446,608	20.04%	\$12,342,624	19.67%
Department of Transportation	\$4,650,412	7.49%	\$4,103,705	6.54%
NH Liquor Commission	\$2,450,385	3.95%	\$2,456,097	3.91%
Department of Revenue	\$2,417,168	3.89%	\$2,546,297	4.06%
NH Employment Security	\$1,967,002	3.17%	\$1,951,618	3.11%
Department of Corrections	\$1,901,212	3.06%	\$2,012,746	3.21%
Top Seven Agencies Total Direct Budget	<u>\$57,353,707</u>	92.35%	<u>\$58,035,020</u>	92.48%

Agency Direct Budget funded in HB 2.

- Department of Corrections AU 76460000 FY 24 \$676,879, Class 037-Hardware \$266,879, Class 038-Software \$410,000. FY 25 \$654,720 Class 037-Hardware \$272,720, Class 038-Software \$382,000.
- Department of Health and Human Services AU 76950000 FY 24 \$3,491,291, Class 037-Hardware \$787,200, Class 038-Software \$1,204,091, Class 046-Consultants \$1,500,000. FY 25 \$2,005,912, Class 037-Hardware \$33,000, Class 038-Software \$472,912, Class 046 Consultants \$1,500,000.

DoIT Central IT Services and Operations - Consists of those solutions and services which are shared across multiple agencies. The department uses a variety of cost allocation metrics (PC Counts, Server Statistics, Office Allocation, Time Tracking, Online Licensing and many more) to allocate the costs to each agency at a rate commensurate with each agency’s usage for items.

DoIT Budget	FY 2023 Adjusted Authorized	FY 2024 DoIT Governor’s HB 1 Central IT Svcs Budget	Increase over FY 2023	FY 2025 DoIT Governor’s HB 1 Central IT Svcs Budget	Increase over FY 2024
Central IT Services and Operations (A/U 77030000)	\$12,735,581	\$15,908,684	\$3,173,103 24.92%	\$15,932,530	\$23,846 0.15%

- Desktop device management, including refresh, moves, software installs and updates, break/fix services
- Desktop and mobile device support solutions such as Exchange, collaboration tools, anti-virus, anti-spam and web filtering tools
- End user support such as a tracking solution for help desk tickets
- Data Center operations support
- Current expenses and other overhead items including rent, office supplies, staff equipment, travel, and employee training
- Physical and virtual servers used to manage enterprise applications, email, file sharing, web hosting, and backup solutions
- Database management and administration
- Web Services, including development and content management
- Network infrastructure including the hardware and professional services required to maintain and support statewide Internet connectivity and the State’s core network
- Cybersecurity resources including networking and desktop solutions to protect the state’s IT infrastructure including intrusion detection, anti-virus solutions, event and incident tracking and monitoring tools, server, firewall and application vulnerability detection tools, encryption solutions, and professional services for security testing and remediation

DoIT Central IT Services and Operations (AU 7703):

DoIT Central IT Services and Operations Governor's HB 1	\$ FY 2024	% FY 2024	\$ FY 2025	% FY 2025
20-Current Expenses	\$64,889	0.41%	\$65,196	0.41%
22-Rents Other than State	\$8,856	0.06%	\$8,856	0.06%
25-State Owned Equip Usage	\$24,134	0.15%	\$26,547	0.17%
26-Organizational Dues	\$15,000	0.09%	\$15,000	0.09%
28-Transfer to General Services	\$948,512	5.96%	\$958,381	6.02%
30-Equipment	\$12,875	0.08%	\$13,520	0.08%
37-Technology-Hardware	\$1,920,810	12.07%	\$1,930,980	12.12%
38-Technology Software	\$11,019,354	69.27%	\$11,124,213	69.82%
39-Telecommunications	\$258,067	1.62%	\$260,467	1.63%
46-Consultants	\$1,400,550	8.80%	\$1,279,838	8.03%
49-Transfer to Other State Agencies	\$13,581	0.09%	\$14,380	0.09%
57-Books	\$2,060	0.01%	\$2,060	0.01%
66-Training	\$146,077	0.92%	\$157,481	0.99%
70-In State Travel	\$29,301	0.18%	\$29,343	0.18%
80-Out of State Travel	\$16,000	0.10%	\$17,650	0.11%
89-Transfer to DAS Maintenance Fund	\$28,618	0.18%	\$28,618	0.18%
Grand Total	\$15,908,684	100.00%	\$15,932,530	100.00%

A/U 77030000 Class 037 Increase due to:

Enterprise Servers, Laptops & Accessories and Virtual Server Charges – Hardware

A/U 77030000 Class 038 Increase due to:

Enterprise: M365 Licenses, Enterprise: MS Designated Support Engineer (DSE), Enterprise: MS Support

A/U 77030000 Class 046 Increase due to:

Contractors for TSS, DoIT Project Resources, Website modernization - Professional Services.

DoIT Salaries and Benefits - DoIT currently has three hundred and seventy (370) authorized full time positions. Of those, three hundred and twenty-nine (329) Classified Positions and twelve (12) Unclassified Positions are funded in A/U 77080000. Fourteen (14) Classified Positions are unfunded in A/U 77080000 with the remaining fifteen (15) Classified Positions funded in Telecommunications A/U 52130000.

DoIT Budget	FY 2023 Adjusted Authorized	FY 2024 DoIT Governor's HB 1 Salaries and Benefits Budget	Increase over FY 2023	FY 2025 DoIT Governor's HB 1 Salaries and Benefits Budget	Increase over FY 2024
IT Salaries and Benefits (A/U 77080000)	\$47,224,177	\$45,598,510	(\$1,625,667) -3.44%	\$46,786,919	\$1,188,409 2.61%

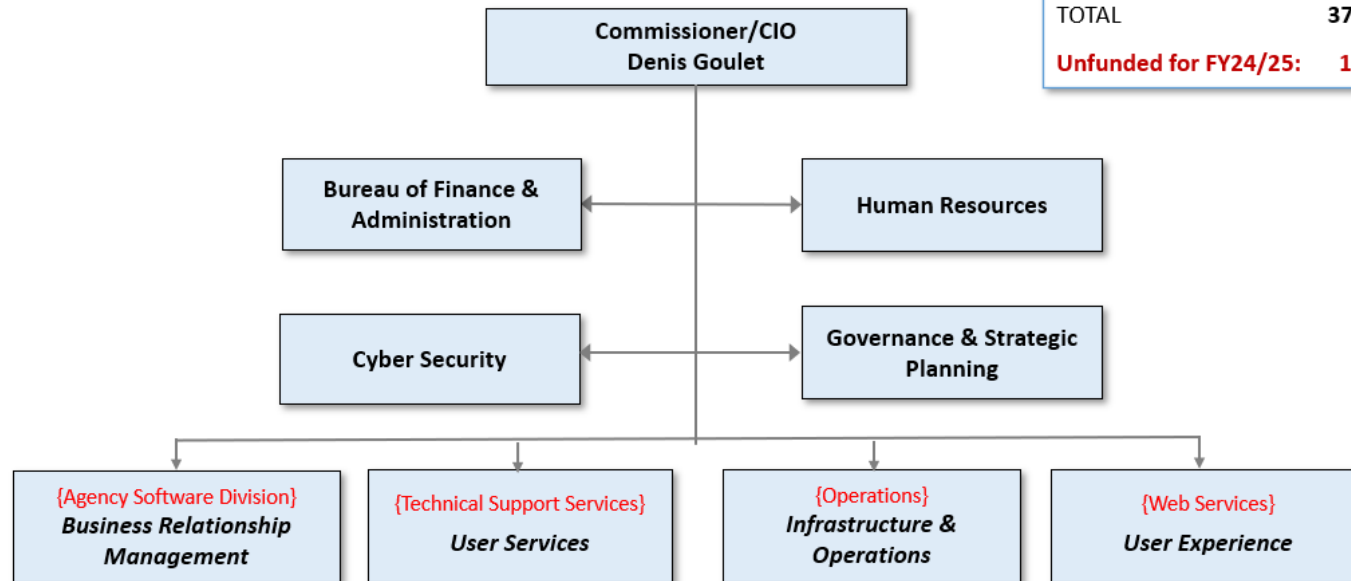
- CIO's Office
 - Finance and Administration and HR
 - Governance and Strategic Planning
 - Cyber Security
- Agency Software Division (*Business Relationship Management*)
 - DoIT liaison to the agency
 - Agency line-of-business applications
- Operations Division (*Infrastructure & Operations*)
 - Server and Data Center support
 - Network Engineering and Services, providing security, internet access and telecommunications
- Technical Support Services Division (*User Services*)
 - Desktop, Help Desk and E-mail services
 - Enterprise Applications and File/Print support
- Web Support Division (*User Experience*)
 - Web services, e-government, e-commerce support
 - Hosts/Manages agency web sites

Proposed HB 2 Language; Revise RSA 21-R:5 to read as follows:

21-R:5 Divisions Established. – The commissioner shall establish 4 divisions, *Business Relationship Management, User Experience, Infrastructure & Operations, and User Services*, which shall be in alignment with the department's statewide strategic plan. Each division shall be under the supervision of a division director appointed pursuant to RSA 21-R:3.

FY24-25 DoIT Organization
(with proposed Division name changes)

DoIT FY 24/25 Authorized Positions:	
Classified	358
Unclassified	12
TOTAL	370
Unfunded for FY24/25:	14



DoIT Salaries and Benefits APN's (A/U 77080000)

DoIT Salaries and Benefits Governor's HB 1	\$ FY 2024	% FY 2024	\$ FY 2025	% FY 2025
10-Personal Services-Classified	\$26,123,242	57.29%	\$26,591,424	56.84%
12-Personal Services-Unclassified	\$1,374,188	3.01%	\$1,378,863	2.95%
18-Overtime	\$1,016,083	2.23%	\$1,016,347	2.17%
42-Additional Fringe Benefits	\$2,210,855	4.85%	\$2,249,531	4.81%
50-Temp Part Time	\$456,234	1.00%	\$474,484	1.01%
59-Temp-Full Time	\$229,106	0.50%	\$239,636	0.51%
60-Benefits	\$14,035,772	30.78%	\$14,681,323	31.38%
62-Worker's Comp	\$153,030	0.34%	\$155,311	0.33%
Grand Total	\$45,598,510	100.00%	\$46,786,919	100.00%

Telecommunications - The primary purpose of the Statewide Telecommunications Bureau is to provide affordable communication at the lowest possible cost to state agencies and to enhance the current services and satisfy expansion demands. Statewide Telecommunications is a service oriented, revenue generating operation and a statewide provider of goods and services related to telephone and data communications with fifteen funded authorized full-time positions.

DoIT Budget	FY 2023 Adjusted Authorized	FY 2024 DoIT Governor’s HB 1 Telecommunications Budget	Increase over FY 2023	FY 2025 DoIT Governor’s HB 1 Telecommunications Budget	Increase over FY 2024
Statewide Telecommunications (A/U 52130000)	\$6,047,933	\$6,145,117	\$97,184 1.61%	\$6,333,608	\$188,491 3.07%

The FY24/25 actual rates can be found in the NH First BARS Budget Development Guide, Exhibit G, Telecommunications Planning Guide.

Footnote: *The Department of Information Technology is authorized to assess a fair and equitable charge for telecommunications and core network services, equipment, and supplies. Such charges shall be made against departmental or institutional appropriations upon request and delivery. Funds arising from such charges shall be accounted for separately and shall be continually appropriated to fund this account and for such purposes as may be approved by Governor and Council.*

DoIT Additional Requests

1. HB2 Proposed Language Requests

DoIT Unfunded Positions:

Notwithstanding any other provision of law to the contrary, the department of information technology may fill unfunded positions during the biennium ending June 30, 2025, provided that the total expenditure for such positions shall not exceed the amount appropriated for personnel services.

Revise RSA 21-R:5 to read as follows:

21-R:5 Divisions Established. – The commissioner shall establish 4 divisions, Business Relationship Management, User Experience, Infrastructure & Operations, and User Services, which shall be in alignment with the department's statewide strategic plan. Each division shall be under the supervision of a division director appointed pursuant to RSA 21-R:3.

Revise RSA 21-R:6 to read as follows:

21-R:6 Information Technology Council. –

I. There is hereby established the information technology council. The council shall advise the commissioner on the following:

(h) ~~Four~~ **Two** state representatives, appointed by the speaker of the house of representatives for the duration of their legislative term.

2. Priorities Not Funded in Governor's Phase

a. AU 7708 – Salaries & Benefits

Agency	DoIT Positions	FY24	FY25	Description
DoIT	Chief Privacy Office Function (2 positions - 7D) Chief Privacy Officer, Administrator II	\$ 248,725	\$ 263,029	Develop, communicate and enforce data privacy policy for the SONH Executive Branch.
NHLC	(2) positions in support of NextGen (7D)	\$ 209,523	\$ 219,616	HW/SW Specialist to support store equipment; Cloud Architect to implement/support NextGen
DOS	(2) positions to support technical projects and App development	\$ 184,024	\$ 193,048	BSA to manage on Safety agency technical projects; Developer to address regulatory changes and replace legacy technologies.
DRA	(2) positions to support the next phase of RIMS	\$ 141,627	\$ 148,417	Developers to reduce vendor costs and dependency; grow in house knowledge
FGC/NHVVH	Shared IT Lead for FGC/NHVVH	\$ 92,012	\$ 96,524	Manage Agency IT Portfolio (projects, procurement, coordination)
DNCR	Dedicated IT Lead for DNCR	\$ 108,958	\$ 114,444	Manage Agency IT Portfolio (projects, procurement, coordination)
DAS/DOJ	Shared IT Lead for DAS/DOJ	\$ 92,012	\$ 96,524	Manage Agency IT Portfolio (projects, procurement, coordination)

\$1,076,881 \$1,131,602

b. Agency Direct Prioritized Requests:

Liquor:

Agency	Request	FY24	FY25	Description
077 - NHLC	POS Equipment Maintenance	\$ 125,000	\$ 125,000	Increased maintenance on Point of Sale equipment
077 - NHLC	Store Handheld PCs	\$ 200,000	\$ 200,000	Procure additional store handheld PC's
077 - NHLC	M365 F3 - Cloud Only with Security	\$ 45,100	\$ 45,100	Email licenses for after hour/weekend staff
077 - NHLC	M365 F3 - Cloud Only with Security - Add'l SW	\$ 17,425	\$ 17,425	Add'l SW licenses for after hour/weekend staff
077 - NHLC	Equipment/Laptop/SW/Data Charges	\$ 11,302	\$ 1,500	For Requested 7D positions (2)
		\$ 398,827	\$ 389,025	

Lottery:

Agency	Request	FY24	FY25	Description
083 - LOTT	Customer Relationship Management (CRM)	\$1,180,900	\$ -	Implement a centralized CRM solution to allow the NH Lottery to better serve its constituents.
		\$1,180,900	\$ -	

3. Requested Adjustments

- DAMF FY24 Increase of \$250,000 in Class 046 and FY25 Increase of \$100,000 in Class 046 and \$150,000 in Class 038 due to additional consultants and software for the Animal Records Database.
- BTLA FY24 increase of \$19,500 to purchase a new SQL license with Software Assurance (SA). This license is used to maintain and secure BTLA’s Legal Case Management database. This database stores the files and legal case documents such as and including appeals of assessments, exemptions, credits, and refunds, whether levied or administrated by the State or municipalities.