



FY24-25 Budget Information

Introduction:

Good afternoon. 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.

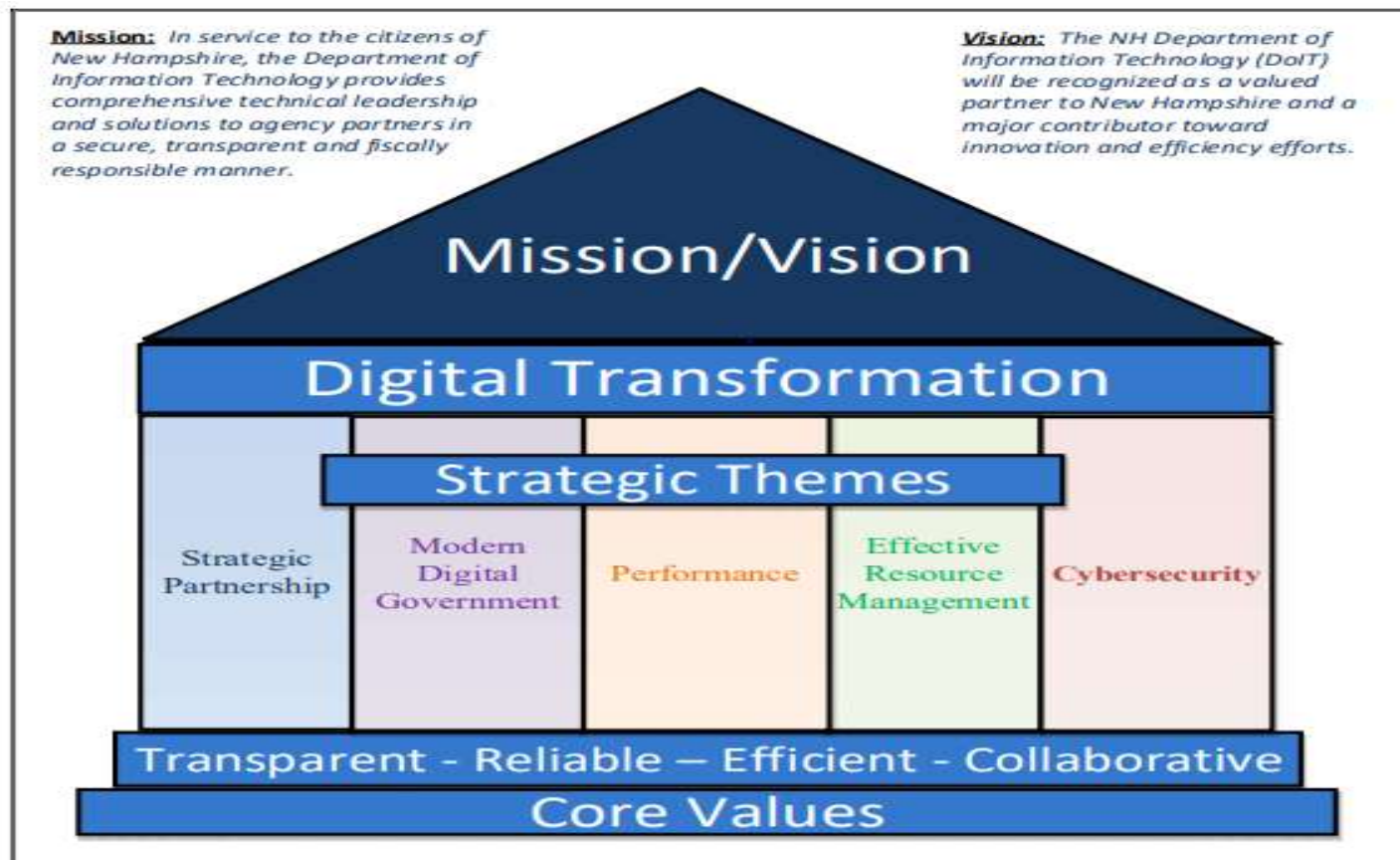
Thank you for the invitation to testify today and I welcome the opportunity to provide a high-level overview of DoIT's proposed FY24/25 Senate Phase operating budget.

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 in 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 that 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 FY24/25 Senate 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
- Continuous Focus on Cyber Defense and Protection Capabilities to Respond to Ongoing Threats

DoIT House HB 1 Approved Budget Request:

DoIT Budget	FY 2023 Adjusted Authorized Budget	FY 2024 House Approved	FY 2024 Increase (Decrease) over FY 2023	FY 2025 House Approved	FY 2025 Increase (Decrease) over FY 2024
Direct Agency IT Budget (AU 76070000-76970000, AU 77020000)	\$47,469,916	\$63,707,006	\$16,237,090 34.21%	\$63,144,893	(\$562,113) (0.88%)
Central IT Services and Operations (AU 77030000)	\$12,735,581	\$15,908,684	\$3,173,103 24.92%	\$15,932,530	\$23,846 0.15%
IT Salaries and Benefits (AU 77080000)	\$47,224,177	\$46,109,885	(\$1,114,292) (2.36%)	\$47,322,680	\$1,212,795 2.63%
Statewide Telecommunications (AU 52130000)	\$6,047,933	\$6,145,117	\$97,184 1.61%	\$6,333,608	\$188,491 3.07%
TOTALS	\$113,477,607	\$131,870,692	\$18,393,085 16.21%	\$132,733,711	\$863,019 0.65%

Key Summary points:

DoIT FY 2022 Actual Expenditures \$94,830,197 plus Carry Forward Encumbrances \$16,825,696. Total \$111,655,890.

DoIT FY 2023 Adjusted Authorized budget of ~\$113.5M.

DoIT FY 2024 budget increase of ~\$18.4M (16.21%) over FY 23.

- Overall Agency Direct FY 24 increase in Hardware, Software and Consultants.
- Overall Central IT Services FY 24 increase in Software. (Microsoft solution M365).
- Overall Salaries and Benefits FY 24 decrease due to 26 pay periods in FY 24 vs. 27 pay periods in FY 23.
- Overall Telecommunications FY 24 increase in Software and Telecommunications.

DoIT FY 2025 budget increase ~\$863K (0.65%) increase over FY 24.

- Overall Agency Direct FY 25 decrease in Hardware, Software and Consultants.
- Overall Central IT Services FY 25 increase in Software.
- Overall Salaries and Benefits FY 25 increase due to step increases.
- Overall Telecommunications FY 25 increase in Software and Telecommunications.

DoIT House HB 1 Approved Budget Request by Class:

DoIT Budget by Class	FY 2023 Adjusted Authorized Budget	FY 2024 DoIT House HB 1 Approved Budget	FY 2025 DoIT House HB 1 Approved Budget
10-Personal Services-Classified	\$28,597,182	\$27,609,883	\$28,109,210
12-Personal Services-Unclassified	\$1,443,454	\$1,374,188	\$1,378,863
18-Overtime	\$943,411	\$1,066,333	\$1,070,597
20-Current Expenses	\$242,338	\$251,369	\$252,626
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	\$42,875	\$14,520
37-Technology-Hardware	\$10,867,526	\$13,537,819	\$13,248,276
38-Technology Software	\$27,759,016	\$38,875,586	\$39,137,081
39-Telecommunications	\$2,765,602	\$3,053,665	\$3,209,113
42-Additional Fringe Benefits	\$2,494,839	\$2,333,924	\$2,375,249
46-Consultants	\$20,424,371	\$26,406,870	\$25,866,957
49-Transfer to Other State Agencies	\$563,740	\$13,581	\$14,380
50-Temp Part Time	\$487,294	\$560,840	\$583,480
57-Books	\$2,060	\$2,060	\$2,060
59-Temp-Full Time	\$280,613	\$273,235	\$285,521
60-Benefits	\$15,100,973	\$14,858,505	\$15,545,111
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	\$131,870,692	\$132,733,711
<i>% Increase Year over Year</i>		16.21%	0.65%

HB 1-A - AS AMENDED BY THE HOUSE

8 Appropriation; Department of Information Technology; Chief Privacy Officer Positions. I. The sum of \$248,725 for the fiscal year ending June 30, 2024, and the sum of \$263,029 for the fiscal year ending June 30, 2025, are hereby appropriated to the department of information technology to fund the positions of chief privacy officer and administrator II, which shall be shared service positions.

This legislation will establish two new positions and increase the appropriation in AU 77080000 IT Salaries and Benefits to fund the positions of Chief Privacy Officer and Administrator II.

HB 2-FN-A-LOCAL - AS AMENDED BY THE HOUSE

1 Department of Information Technology; Divisions Established. Amend 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 and 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.

This legislation aligns the four divisions with DoIT's statewide strategic plan.

2 Department of Information Technology; Unfunded Positions; Authorization. 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.

This legislation grants DoIT the flexibility to fill authorized unfunded positions on a priority as needed basis.

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

DoIT Budget	FY 2023 Adjusted Authorized Budget	FY 2024 DoIT House HB 1 Direct Budget	Increase over FY 2023	FY 2025 DoIT House HB 1 Direct Budget	Decrease over FY 2024
Direct Agency IT Budget (AU 76070000-76970000 and AU 77020000)	\$47,469,916	\$63,707,006	\$16,237,090 34.21%	\$63,144,893	(\$562,113) (0.88%)

- 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
- CRM solution and associated Salesforce subscription licenses

In FY24/25, the following seven agencies accounted for over 90% of the overall agency direct budget:

<u>Top Seven Agencies:</u>	FY 2024		FY 2025	
	<u>\$63,707,006</u>	<u>% Agency-FY 2024 DoIT House HB 1 Direct Budget</u>	<u>\$63,144,893</u>	<u>% Agency-FY 2025 DoIT House HB 1 Direct Budget</u>
Department of Health and Human Services	\$31,520,920	49.48%	\$32,621,933	51.66%
Department of Safety	\$12,446,608	19.54%	\$12,342,624	19.55%
Department of Transportation	\$4,650,412	7.30%	\$4,103,705	6.50%
NH Liquor Commission	\$2,849,212	4.47%	\$2,845,122	4.51%
Department of Revenue	\$2,417,168	3.79%	\$2,546,297	4.03%
NH Employment Security	\$1,967,002	3.09%	\$1,951,618	3.09%
Department of Corrections	\$1,901,212	2.98%	\$2,012,746	3.19%
Top Seven Agencies Total Direct Budget	\$57,752,534	90.65%	\$58,424,045	92.52%

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 House HB 1 Central IT Svcs Budget	Increase over FY 2023	FY 2025 DoIT House HB 1 Central IT Svcs Budget	Increase over FY 2024
Central IT Services and Operations (AU 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 77030000):

DoIT Central IT Services and Operations House 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%

AU 77030000 Class 037:
Enterprise Servers, Laptops & Accessories and Virtual Server Charges – Hardware

AU 77030000 Class 038:
Enterprise: M365 Licenses, Enterprise: MS Designated Support Engineer (DSE), Enterprise: MS Support

AU 77030000 Class 046:
Contractors for TSS, DoIT Project Resources, Website modernization - Professional Services.

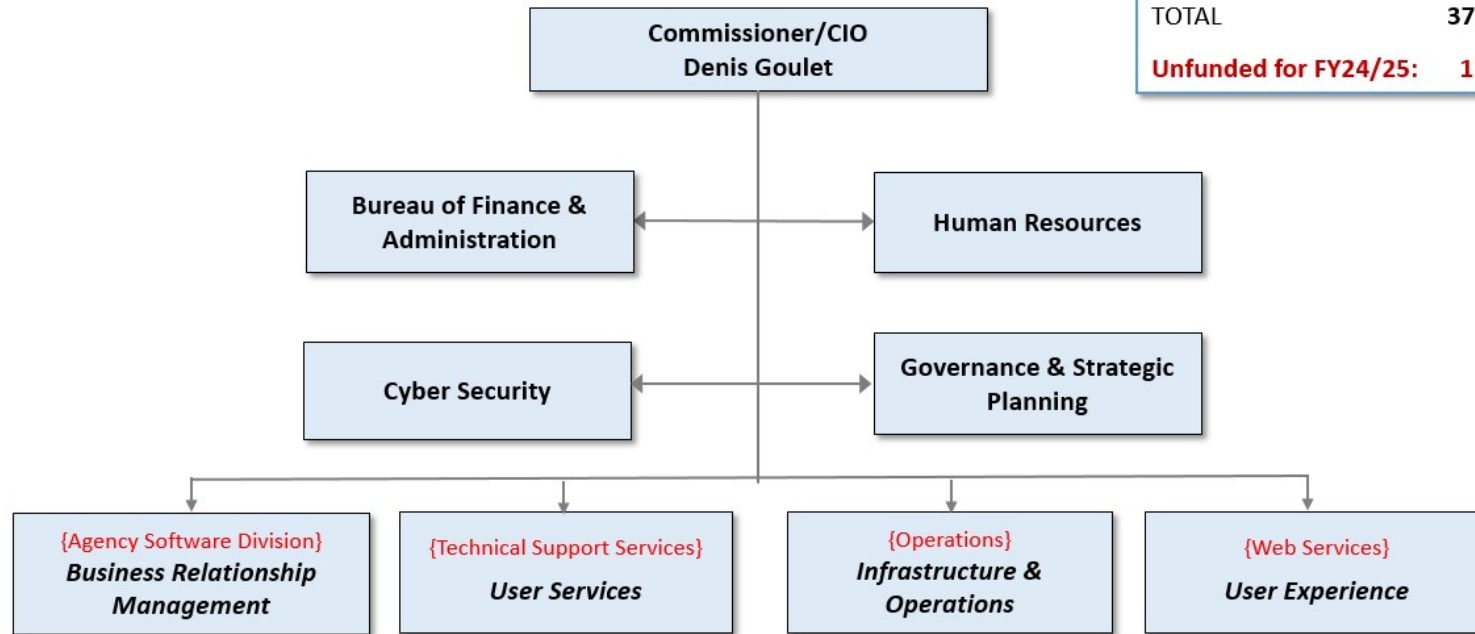
DoIT Salaries and Benefits - DoIT currently has three hundred and seventy four (374) authorized full time positions. Of those, three hundred and thirty five (335) Classified Positions and thirteen (13) Unclassified Positions are funded in AU 77080000. Eleven (11) Classified Positions are unfunded in AU 77080000 with the remaining fifteen (15) Classified Positions funded in Telecommunications AU 52130000.

DoIT Budget	FY 2023 Adjusted Authorized	FY 2024 DoIT House HB 1 Salaries and Benefits Budget	Decrease over FY 2023	FY 2025 DoIT House HB 1 Salaries and Benefits Budget	Increase over FY 2024
IT Salaries and Benefits (AU 77080000)	\$47,224,177	\$46,109,885	(\$1,114,292) (2.36%)	\$47,322,680	\$1,212,795 2.63%

- 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

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

DoIT FY 24/25 Authorized Positions:	
Classified	361
Unclassified	13
TOTAL	374
Unfunded for FY24/25:	11



DoIT Salaries and Benefits (AU 77080000):

DoIT Salaries and Benefits House HB 1	\$ FY 2024	% FY 2024	\$ FY 2025	% FY 2025
10-Personal Services-Classified	\$26,394,564	57.24%	\$26,874,314	56.79%
12-Personal Services-Unclassified	\$1,374,188	2.98%	\$1,378,863	2.91%
18-Overtime	\$1,022,333	2.22%	\$1,022,597	2.16%
42-Additional Fringe Benefits	\$2,232,561	4.84%	\$2,272,162	4.80%
50-Temp Part Time	\$497,840	1.08%	\$517,960	1.09%
59-Temp-Full Time	\$229,106	0.50%	\$239,636	0.51%
60-Benefits	\$14,206,263	30.81%	\$14,861,837	31.41%
62-Worker's Comp	\$153,030	0.33%	\$155,311	0.33%
Grand Total	\$46,109,885	100.00%	\$47,322,680	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 House HB 1 Telecomm. Budget	Increase over FY 2023	FY 2025 DoIT House HB 1 Telecomm. Budget	Increase over FY 2024
Statewide Telecommunications (AU 52130000)	\$6,047,933	\$6,145,117	\$97,184 1.61%	\$6,333,608	\$188,491 3.07%

DoIT Statewide Telecommunications (AU 52130000):

DoIT Statewide Telecommunications House HB 1	\$ FY 2024	% FY 2024	\$ FY 2025	% FY 2025
10-Personal Services-Classified	\$1,215,319	19.78%	\$1,234,896	19.50%
18-Overtime	\$44,000	0.72%	\$48,000	0.76%
20-Current Expenses	\$4,200	0.07%	\$4,200	0.07%
28-Transfer to General Services	\$38,024	0.62%	\$38,373	0.61%
37-Technology-Hardware	\$750,000	12.20%	\$750,000	11.84%
38-Technology Software	\$1,175,850	19.13%	\$1,172,450	18.51%
39-Telecommunications	\$1,986,844	32.33%	\$2,117,777	33.44%
42-Additional Fringe Benefits	\$101,363	1.65%	\$103,087	1.63%
46-Consultants	\$62,540	1.02%	\$62,540	0.99%
50-Temp Part Time	\$63,000	1.03%	\$65,520	1.03%
59-Temp-Full Time	\$44,129	0.72%	\$45,885	0.72%
60-Benefits	\$652,242	10.61%	\$683,274	10.79%
66-Training	\$3,000	0.05%	\$3,000	0.05%
70-In State Travel	\$3,000	0.05%	\$3,000	0.05%
89-Transfer to DAS Maintenance Fund	\$1,606	0.03%	\$1,606	0.03%
Grand Total	\$6,145,117	100.00%	\$6,333,608	100.00%

Requested Adjustments: Priorities not funded by the House

DoIT Position to support Dept. of Safety's Technical Projects FY 24 \$92,012, FY 25 \$96,524

The Business Systems Analyst role is critically important for future Safety agency technical projects. This resource would focus on leading agency technical projects and developing RFPs, RFIs, Contracts, and technical requirements. Without this position, technology projects will take longer with increased cost to the agency and delay key public safety projects.

DoIT Position to support Dept. of Safety's Migration of Legacy Products to Cloud Based Solutions FY 24 \$92,012, FY 25 \$96,524

Key projects including Enterprise Service Bus (ESB) development for State Police, responding to regulatory/law changes such as EZPass for DMV and Federal firearms changes for State Police require an additional developer. Without this position, DOS will have limited ability to respond to regulatory changes and keep pace with replacing legacy, unsupported technologies, putting the agency at risk for missing regulatory deadlines and incurring outages in key operational areas due to unsupported technology.

DoIT Position Shared between Fish and Game and the Veteran's Home FY 24 \$92,012, FY 25 \$96,524

Move to a direct funded IT Lead support model like all other agencies to manage the IT Portfolio. Without this position, Fish and Game and the Veteran's Home will not have critical IT Lead support.

Increase DoIT's AU 76180000 Class 046 and Class 038 in support of Dept. of Agriculture FY24 Class 046 \$250,000, FY25 Class 046 \$100,000, Class 038 \$150,000.

The increase will provide consultants and software in support of Agriculture's Animal Database. The funds are currently budgeted in Agriculture's Class 027. This action will provide the corresponding appropriation in DoIT's budget.