

**STATE OF ALABAMA
ANNUAL IT REPORT
2015**



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SECRETARY'S LETTER TO THE GOVERNOR

Secretary's Letter to the Governor

Dear Governor Bentley,

I'm pleased to deliver to you the State of Alabama Annual IT Report for 2015. This was an important year for a number of statewide and agency-specific information technology initiatives.

A few highlights of these initiatives are as follows:

- Continued implementation of the enterprise resource planning and timekeeping systems.
- The CARES (Centralized Alabama Recipient Eligibility/Enrollment System) is an integrated eligibility and enrollment project serving the Health and Human Services Programs and the related services to Alabama citizens. During 2015, the CARES Enterprise Framework was finalized and built, and will be released into final User Acceptance Testing in June of 2016.
- The State's most widely used data center, run by Finance ISD, has been upgraded and moved into a state-of-the-art facility in an RSA building in Montgomery.
- Finance ISD has also upgraded the state email system to Microsoft Office 365.
- Agency IT organizations have initiated and completed a wide variety of projects that focus on improving citizen access to state services, improving disaster recovery and business continuity capabilities, and improving agency processes.
- Fraud detection and prevention also continues to be a major concern and is reflected in various projects reported for 2015.

I appreciate your continued support of this office and our work. We remain committed to focusing on priorities that make computing for the State of Alabama more efficient, safer and more effective. We promise to always favor things of consequence over the trivial and do everything in our power to make the great State of Alabama even better.

Yours truly,



L. Brunson White
Secretary of Information Technology (Retired)
June 30, 2016

EXECUTIVE SUMMARY

Executive Summary

The 2015 Annual IT Report is organized to present a statewide view of technology spend, IT inventory and major technology projects for 2015. There is also a summary of IT governance activities. This information represents the collective input from the Office of Information Technology, the Finance Information Services Division and agency IT organizations.

In July 2015, Governor Bentley created the Office of Broadband Development. “Broadband development is critical in Alabama’s continued economic growth, and I am confident that this newly created office will help us in reaching statewide goals in the areas of public safety, healthcare, education, e-Government, agriculture, tourism, economic development and more,” said Governor Bentley in announcing his executive order. The Office of Broadband Development will continue to assess broadband coverage and gaps in service across the state. The Office will research grants on behalf of state agencies and local governments for the development of broadband in Alabama. It will also collect and share information with stakeholders, such as challenges, opportunities, resources, webinars, maps and public policies that enhance or hamper Broadband deployment and usage.

The State has a broad Project Portfolio with several projects that affect multiple agencies and many agency specific projects that have impact on citizen services and agency efficiencies. The financial and purchasing modules of STAARS (State of Alabama Accounting and Resource System) were implemented for twenty large agencies and the budget module was implemented for all agencies. This has been the largest change and has had the largest impact of any system in the past twenty-five years. As with most big change, there were some difficult process adjustments and system issues. The remaining agencies will begin using the financial and purchasing modules of STAARS with the beginning of the fiscal year in October 2016.

The new timekeeping system known as eSTART is another statewide system that is in the middle of a phased implementation. Approximately 19,000 employees are currently using eSTART, and the remaining agencies are expected to be using the system by the first quarter of 2017.

The CARES (Centralized Alabama Recipient Eligibility/Enrollment System) is an integrated eligibility project that will positively impact the Health and Human Services Programs and the related services to Alabama citizens. The State’s most widely used data center, run by Finance

EXECUTIVE SUMMARY

ISD, has been upgraded and moved into a state-of-the-art facility in an RSA building in Montgomery. Finance ISD has also upgraded the state email system to Microsoft Office 365.

Agency IT organizations have initiated and completed a wide variety of projects that focus on improving citizen access to state services, improving disaster recovery and business continuity capabilities, and improving agency processes. Fraud detection and prevention also continues to be a major concern and is reflected in various projects reported for 2015.

The Information Services Division (ISD) of the Finance Department is the central Information Technology service provider for state agencies. The ISD went through a reorganization and realignment of staff in an effort to streamline processes and improve services. Service Now software was implemented to support service delivery.

The State IT community is working together to build best practices and develop policies to improve IT governance. The IT Project Governance Workgroup completed their recommended Project Governance Policy and it was ready for implementation in early 2016.

OIT continued to provide governance over the Alabama CARES project and began to use the information gathered from the IT Project Budget forms submitted for the FY2016 budgets.

IT security is always a concern and is collectively being considered by the Security Council which is led by OIT and includes members of ISD, Agency CIOs and senior IT security professionals.

It is important to understand the State's investment in technology and then examine how the funds are being utilized. Historically, the State spends less than 1.2% of its total annual spend on technology. In FY2015 the IT expenditures were approximately \$372 million which was 1.25% of the total state expenditures and includes hardware, software, personnel and services.

The accumulated inventory of active IT hardware that is tracked as an asset exceeds 81,000 devices which have a total original acquisition cost of \$200 million. Much of that equipment is over five years old. We currently do not have a consolidated database for software so we are not able to track and report software assets for this report. There were 1,099 state employees in recognized IT classifications in 2015. Personnel costs for these employees total almost \$100 million. Like most states, Alabama has an aging IT workforce with 22% of the current technical staff eligible for retirement now, increasing to 39% in five years.

2015 ACTIVITIES AND ACCOMPLISHMENTS

2015 Activities and Accomplishments

PROJECT PORTFOLIO

State level Initiatives

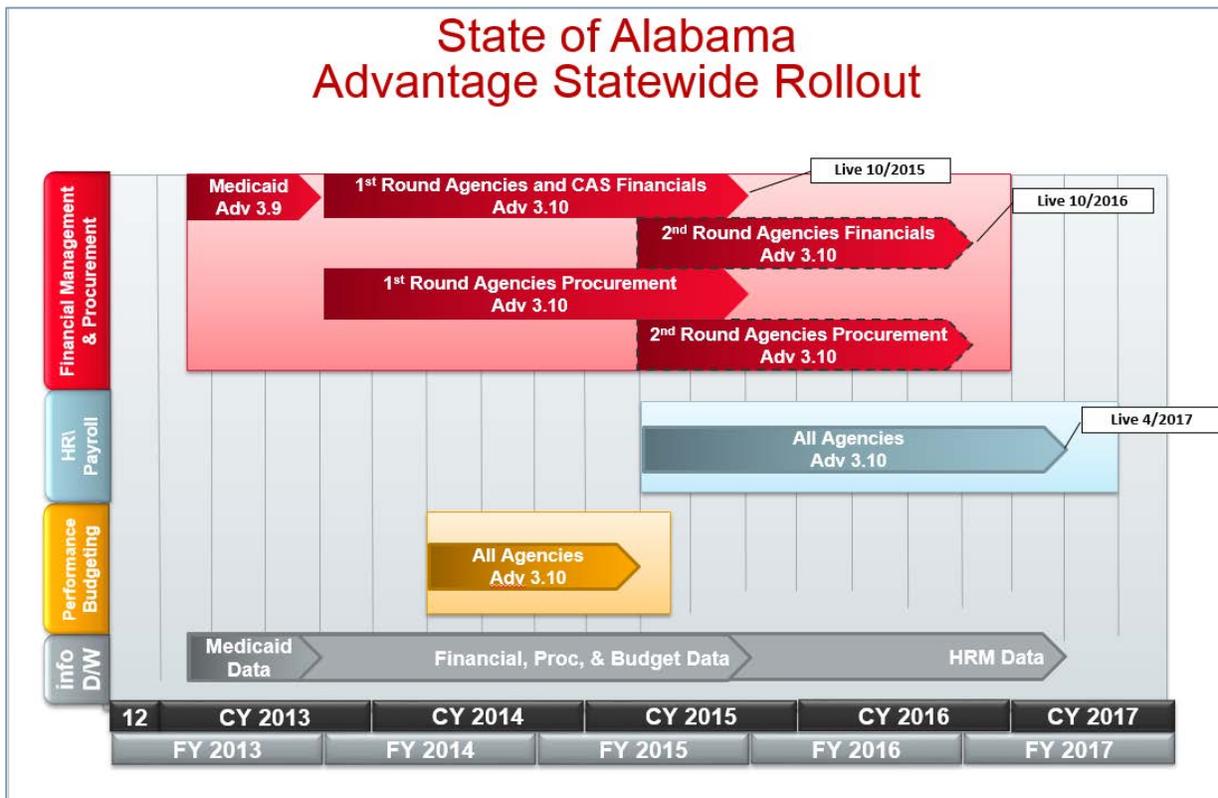
STAARS – State of Alabama Accounting and Resource System

In December 2013, the State of Alabama embarked on an upgrade project that will modernize the State's accounting, procurement, personnel, payroll, budget and reporting functions across all state agencies. The system is a much newer version of Alabama's current system and is designed and built specifically for state and local governments. The new system is known around the country as CGI Advantage ERP and is already implemented in other states and local governments. Alabama's version of Advantage is known as STAARS and it offers an enterprise software solution that supports the State resource management needs. Because it's highly configurable, it is easier and faster to implement than systems that are not as flexible.

Implementing STAARS is much more than a technology upgrade. Throughout the project, the STAARS Project Team has worked with all affected agencies to carefully evaluate how they currently do their work and how they will accomplish it in the future using STAARS. As STAARS is being implemented, Alabama's focus is to provide state financial and human resource management employees with the information, training, job aids, and support they need to do their jobs efficiently. As improvements are implemented, STAARS will simplify many current tasks, eliminate manual activities, and require significantly less paper. STAARS users will find it easier to access information and will have more information available at their fingertips.

2015 ACTIVITIES AND ACCOMPLISHMENTS

The chart below shows the implementation strategy and timeline for STAARS.



The Alabama Medicaid Agency was the first agency to implement the Financial Management module at the beginning of fiscal year 2014. All agencies started using the Performance Budgeting module in fiscal year 2015. The Financial and Procurement modules are being implemented in two phases. The first round went live October 2015 and the second will go live October 2016. STAARS implementation and change management issues were identified, and steady progress is being made in their resolution.

eSTART – State Time and Reporting Terminal system

The State Time and Reporting Terminal (eSTART) application continues to be implemented statewide by the Department of Finance. The project goal is to automate the collection of all state employee work time and leave usage within a centralized platform. For the 93 agencies

2015 ACTIVITIES AND ACCOMPLISHMENTS

(approximately 19,000 state employees) currently activated in eSTART, the automation process has eliminated the majority of manual data entries into the human resource management system known as GHRS. In conjunction with this project, pay and leave configuration policies have been defined for all employee job classifications and these policies comply with the Family Medical Leave Act requirements.

The eSTART application provides agencies with reporting tools for real-time or historical views of employee work hours, leave requests and accrual information. This allows agencies to provide a more accurate view of staff utilization.

Several time entry methods are in use for employees in order to track work hours. These methods include time clocks, mobile applications (for smart phone access), Tele-time (access via a telephone) and an internet URL.

eSTART is currently in the process of implementing the state's non-merit agencies some of which have not tracked their time in GHRS before. The eSTART staff is very patient and efficient at working with the agencies every step of the way to ensure the agency is comfortable with using the application.

eSTART will implement release 8 early in 2016 which will eliminate the java requirement within the application. This will make the software tasks run much quicker. The entire eSTART project is anticipated to complete around the first quarter of 2017.

CARES – Centralized Alabama Recipient Eligibility/Enrollment System

Governor Bentley's Executive Order 44, issued June 30, 2014, ordered "establishment of a joint eligibility and enrollment system among the Alabama Medicaid Agency, Alabama Department of Public Health, Alabama Department of Human Resources, Alabama Department of Mental Health and Alabama Department of Senior Services, for the purpose of coordinating and providing for joint application, eligibility determination and enrollment by Alabama citizens in Federal and State public benefits programs".

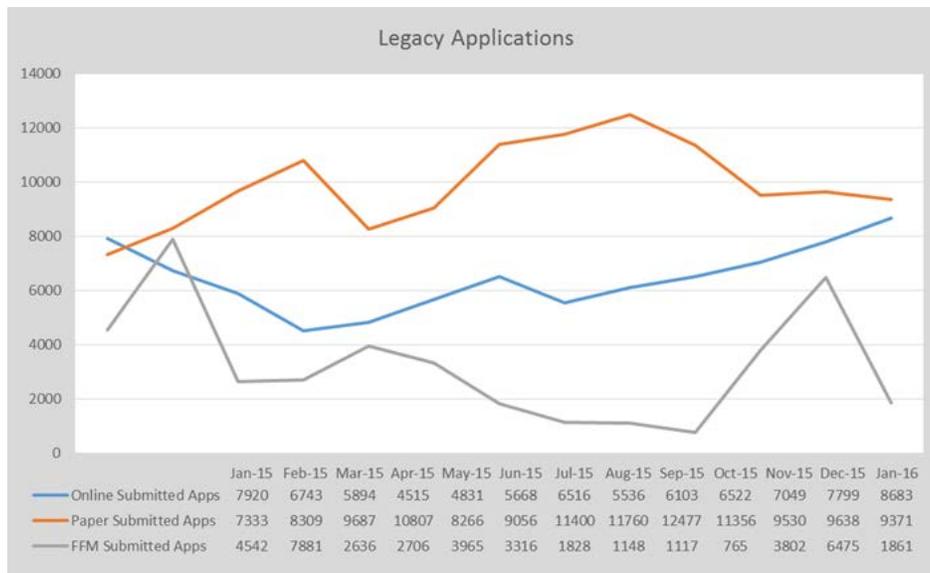
The CARES Organization is the provider of the technical, management and implementation services to those agencies of this joint system that replaces aging and independent mainframe systems currently in operation.

2015 ACTIVITIES AND ACCOMPLISHMENTS

Significant milestones and accomplishments in 2015 include:

- CMS Funding approval leveraging the Federal Funding Participation 90/10 matching funds formula with the State of Alabama. Two years of funding were granted
 - Revised Advance Planning Document (APD) prepared and pending approval by CMS
- Agile practices continue for CARES activities in 2015 with multiple teams working for multiple agencies
- Successfully began work on Department of Human Resources specific functionality
- The 1.0 version of the system has been maintained and the following enhancements made with concurring features added in the 2.0 Enterprise system to be released to UAT in June 2016.
 - Fully automated report system with critical enrollment statistic report generation
 - Enhanced, secure reporting and data sharing interface
 - Resolved inconsistencies in Federally Facilitated Marketplace (FFM) data
 - Enhanced patient/citizen matching algorithms and integrated into the inbound FFM processes
 - Plan First for Men Program integration
 - Key Program Statistics:
 - Online applications submitted per month (Average): 6,444
 - Paper applications submitted per month (Average) : 9,922
 - FFM applications submitted per month (Average) : 3,234

2015 ACTIVITIES AND ACCOMPLISHMENTS



The goal of the CARES Program continues to be implementation of an enterprise Information Technology (IT) solution that will support a first-class, modern experience, as well as seamless coordination among Medicaid, CHIP and the DHR programs. More specifically, the State of Alabama is seeking to:

- Provide the same customer experience to all individuals seeking coverage, regardless of source or amount of subsidy for which they may qualify, or the ‘door’ through which they enter
- Permit real-time eligibility determination, routing and enrollment whenever feasible, and for all individuals, a timely and responsive resolution process
- Extract the business rules out of multiple aging eligibility systems in order to share those, along with the Modified Adjusted Gross Income (MAGI) rules, in a central repository that is more dynamic and flexible
- Implement a common system complemented with a high level of integration to avoid duplication of costs, processes, data and effort on the part of the State and beneficiaries
- Leverage the federal approach provided by the Federal Hub for verification from federal agencies such as the Internal Revenue Service, Department of Health and Human Services, and Department of Homeland Security to avoid the independent establishment of those interfaces and connections at the State level
- Persist data at the highest quality level across the Enterprise of Agencies
- Continue to work towards achieving certification of our system(s) at Medicaid Information Technology Architecture (MITA) maturity level 3.0

2015 ACTIVITIES AND ACCOMPLISHMENTS

During 2015 the CARES Enterprise Framework was finalized and built. This framework includes Dynamics CRM for state employee functionality, a custom .NET workflow system for citizen access, an enterprise-class business rules engine and Microsoft SQL Server data tier. CARES is utilizing this framework to integrate multiple state agencies into a single, integrated eligibility system. The CARES Enterprise framework will be released into final User Acceptance Testing in June of 2016.

Department of Finance Information Services Division

ISD Reorganization

In FY2015, ISD went through an organizational restructuring to align the division to an Information Technology Service Management (ITSM) framework. ITSM is a set of process that detail best practices based on ITIL standards to enable and optimize IT services in order to satisfy business requirements and manage the IT infrastructure both tactically and strategically. The purpose was to design and implement an ISD organizational structure that effectively supports a culture of customer service, demonstrates organizational priorities, and provides clarity around division processes and functions. The resulting organization allows ISD to; breakdown organizational barriers, align organization with services, improve internal & external communication, and become more agile and responsive to client needs.

ServiceNow Implementation

ISD has replaced its Help Desk software, CA Service Desk with a product called ServiceNow in July 2015. ServiceNow is a software platform that supports IT Service Management (ITSM) and automates common business processes. ServiceNow is also the tool that supports ISD's new organizational structure and the ITIL processes it has implemented. ServiceNow is a Software as a Service (SaaS) platform that contains a number of modular applications that can vary by instance and user. The first ISD services made available using ServiceNow was for Incident and Request management. Moving forward, ISD will continue to develop additional ServiceNow features that will benefit all ISD clients. These new features and capabilities will include; Self-Service Portal, Service Catalog, and Problem Management.

2015 ACTIVITIES AND ACCOMPLISHMENTS

ISD Datacenter Move/Upgrade

The Information Services Division (ISD) has been operating from its current datacenter many years, and the facility is in dire need of repair and renovation. In 2012, the Retirement Systems of Alabama (RSA) opened a new state-of-the-art datacenter located in the RSA Dexter Avenue Building in downtown Montgomery. The RSA Datacenter provides redundant infrastructure (power and cooling) and enhanced security including multi-factor, multi-layer physical access controls. ISD's goal is to create a new datacenter that is as state-of-the-art as the facility it is housed in.

Throughout FY2015, ISD procured the latest networking equipment and designed the infrastructure to be highly-available and highly-configurable to meet the needs of client agencies. Additional fiber was laid, and internet bandwidth increased. Firewalls were relocated and reconfigured to provide high-availability. Disaster Recovery systems have been relocated to geographically-separated locations to mitigate risk from potential disasters. Once the network infrastructure installation was completed, ISD began the process of completing its plan to move compute and storage equipment to this new facility.

Microsoft Office 365 Implementation

In April 2015, ISD began the conversion of the Alabama Consolidated Mail (ACE) on-premise email system to Microsoft Exchange Online. This effort follows the completion of the first phase of the deployment of Office 365 – deployment of MS Office ProPlus. Configuration of the new hybrid Exchange was completed by month's end with the creation of the on-line Exchange environment. The initial implementation consisted of the successful 10-week pilot that migrated approximately 850 mailboxes. Agencies involved in this pilot included the Department of Finance, State Personnel, and Examiners of Public Accounts. Through the rest of FY2015, ISD and their vendor partners successfully migrated an additional 7000 mailboxes. During FY2016, ISD will complete its migration of the remaining 10,000 mailboxes.

Laserfiche Implementation

Laserfiche is an Enterprise Content Management (ECM) solution that provides state agencies with the tools and security to manage document processes. ISD selected Laserfiche as a solutions provider for both software and services. The Alabama Real Estate Commission is the first agency to go live. The Alabama Department of Corrections and the Alabama Department of Mental Health have also initiated service agreements, and completed the conversion of

2015 ACTIVITIES AND ACCOMPLISHMENTS

existing systems to Laserfiche. The benefit of developing document management processes is in the organization and accessibility of documents. In the workflow process, a document can be received, annotated, and referenced by other systems offering agencies the ability to create a document once and use it many times. ISD clients integrated the documents into other systems in dynamic platforms to meet their complex business needs as opposed to separated silos and work processes.

Agency Initiatives

Alcoholic Beverage Control Board

Dedicated training facility

As a result of the movement of the ABC Enforcement division to the Alabama Law Enforcement Agency, we were able to convert the meeting area reserved for their use to a full time dedicated training facility that can handle up to 15 students per session utilizing older laptop computers, our wireless network, a Sharp Aquos 70" Smartboard, and movable tables for dynamic needs. Virtual meetings using Skype for Business or GoToMeeting will also be possible from this room as well as our Boardroom which also has the same Smartboard setup. Our current endeavor is to create virtual desktops powered by a new HP Blade enclosure that was provided at no cost by our local partner and HP. We anticipate the purchase of additional blade servers in support of this project.

Computer hardware refresh

The IT division completed a complete refresh of all desktop and portable computer hardware this year. This refresh is currently on a four-year cycle so that our hardware can support the ever changing technology and its rapid pace. A first this year was the use of hybrid notebook/tablet devices from HP which allows the device to be used either in the standard method with a keyboard and pointing device, or as a tablet utilizing touch technology. This will be extremely useful to field staff.

Printer lease program with managed services

ABC IT division with the assistance of our accounting division has completed a lease deal with HP to provide laser printers for each of our stores at a cost comparable to the purchase price

2015 ACTIVITIES AND ACCOMPLISHMENTS

but over a 3-year period. This allows the cost to become operational rather than capital for more exact budgeting and also provides for the online management of the printer maintenance and consumables such as toner. In most cases HP will know of a problem before the printer become inoperable and will dispatch a technician to resolve the issue. Also, when toner levels are approaching a predetermined minimum, replacement toner is delivered automatically. At the end of the 3-year lease period, the ABC Board will own the printers and can continue the managed services on a year to year basis.

Consumer website

The Software Development group launched a new website (www.abcselectspirits.com) designed specifically for ABC's retail customers. The website is based on the Drupal content management system and hosted by Acquia. The site features product information as well as educational items, entertaining tips, interesting facts, and recipes.

Enterprise timekeeping system

Alabama implemented a Kronos based enterprise wide timekeeping system this year. As a pilot agency, ABC was among the first to convert to the new system and procedures. The IT division assisted in installing biometric network attached time clocks at each of our 175 store locations throughout the state. The IT division provides maintenance and operational support to both the Central Office and remote locations.

Licensing and compliance system

The ABC Board is implementing a new licensing and compliance system- Accela Licensing. Accela Licensing is a cloud-based SaaS solution that will be hosted by Accela. This new system will improve information access and availability for licensees and provide a much-improved back-office solution for ABC employees. Moving to Accela Licensing will also provide ABC Licensing Inspectors with true in-field capabilities accessible via mobile devices. Accela Licensing is scheduled to go live in March 2016.

Point of sale payment card capture device project

In response to the industry mandated EMV (Euro-Mastercard-Visa) compliance effective October 2015, the agency is replacing all payment card capture devices with new EMV compliant devices that will also allow for NFC (Near Field Communications) and total card data encryption. Due to our dependence on third party payment card services and gateway services

2015 ACTIVITIES AND ACCOMPLISHMENTS

the board will not meet the compliance date but the project is underway with a target completion date of March 2016. This is a very complex project that we have been actively working on since September 2014.

ERP/POS System replacement

Planning has been underway for the past two years to replace our disparate ERP and POS systems with a modern tightly integrated system. Due to budget constraints, we have only been able to issue an RFI (Request for Information) in support of this project. Since so much time has passed it is inevitable that needs and requirements change. This will require that the requirements list developed will need to be analyzed and brought up to date before an RFP (Request for Proposal) can be issued which is dependent upon funding. ABC is continually looking for more cost effective alternatives concerning this project which is anticipated to require a minimum of 18 months start to finish.

Alabama Department of Revenue

Initiatives to Identify and Deter Tax Refund Fraud

The Alabama Department of Revenue (ADOR) implemented several new processes within our primary tax administration system during FY 2015. Four of these new processes were aimed at identifying and deterring income tax refund fraud and were implemented in time for use with the 2015 income tax filing season that began in late January of 2016:

- 1) W-2 Matching- This involves a comparison of W-2 information provided by employers against that provided by individuals filing income tax returns. In order to have this information available early enough in the tax season to be beneficial, a new deadline was given to employers requiring them to file their W-2 information a month early. This measure has proven to be very beneficial in helping to identify tax fraud this tax season.
- 2) Fraud Manager – This involved the implementation of a new module that was incorporated into our primary tax administration system. This module includes numerous edits that are run on each income tax return. The edits can be manipulated, on the fly, based on analysis performed by the system that identifies various trends in identity and tax return fraud.
- 3) IRS-State Data Sharing – This process evolved from several states reacting to the TurboTax identity fraud debacle during the 2014 tax filing season. Alabama, along with

2015 ACTIVITIES AND ACCOMPLISHMENTS

several other states, reached out to the Internal Revenue Service (IRS) to obtain files of information related to suspicious tax filers that was identified as a result of processing federal income tax returns. This information can be used to match against state tax returns to determine if any of the suspicious tax filers were also engaging in suspicious activity at the state income tax level. This sort of data sharing between the IRS and State Departments of Revenue had not been performed prior to the 2015 income tax filing season.

- 4) Verify My Return – This is an option that taxpayers can use to proactively protect their State of Alabama income tax returns and refunds. By creating a user account on ADOR's My Alabama Taxes (MAT) application and using the link to opt in to this feature, any time ADOR receives a tax return filed with the social security number of a taxpayer who has opted into the program, the taxpayer will be notified of the submission by MAT. In order to receive this notification a taxpayer is required to have a MAT account and opt into the notification feature.

Business Continuity Program Revamping (BCP)

ADOR, Information Technology Division, began a project to revamp the Department's Business Continuity Program (BCP) and related documentation during FY 2015. The current version of our old BCP management software, LDRPS, will be reaching its end of life in late summer of 2016. The most up-to-date version of this application is only offered as a cloud-based aaS product and ADOR is not interested in pursuing this option for our BCP management. We are currently performing Business Impact Analyses in each division to use as input for the new continuity plan. We are also in the process of purchasing a new BCP management software that will be implemented as soon as the procurement process can be completed.

Optional Personal Property Assessment Link (OPPAL) Development Project

Typically, in Alabama, businesses are required to file annual tax returns and pay taxes on tangible personal property such as furniture and fixtures, equipment and machinery, and automobiles and air planes that belong to and are used in conjunction with the business. This is known as Personal Property Assessment and the taxes are paid at the County level rather than the State level. This requires any business that maintains a physical presence in multiple counties to file their Personal Property taxes with each of the respective counties where their business operates. A handful of Alabama's 67 counties have totally automated filing systems. Some counties have electronic systems for maintaining tax filing data, but do not provide for

2015 ACTIVITIES AND ACCOMPLISHMENTS

online filing. Many counties only have manual processes for tax filing, tax collection, and maintaining tax records which involves a great deal of time and effort.

As the result of legislation passed in the 2014 Regular Legislative Session, the ADOR, Property Tax Division, was tasked with providing Personal Property taxpayers with a means to file all of their returns electronically, using a single application. The application would then distribute the returns to the appropriate county or counties for processing and tax collection. This single portal for use in filing Personal Property taxes is called the Optional Personal Property Assessment Link or OPPAL.

Prior to beginning any application development, an advisory council was formed with representatives from county tax offices, professional tax preparers, representatives from various business organizations, and ADOR. Much of the input for the application has been gathered during regular advisory council meetings as well as through special meetings called to discuss specific issues or topics related to the application. Development of the OPPAL web portal was begun in FY 2015. Application analysis and design began in March of 2015 and the first prototype of the application was made available to the advisory council for review in November of 2015. User testing is slated to begin in April of 2016 in an effort to provide as much feedback from the various user roles as possible. Extensive testing is scheduled to last throughout the summer months of 2016 with the OPPAL portal mandated by law to go live October 1, 2016.

Alabama Department of Transportation

Intelligent Transportation Systems (ITS) Delcan Project

In 2015, ALDOT neared completion of Phase I of its statewide Intelligent Transportation System (ITS) Advanced Transportation Management System (ATMS) deployment. The ATMS software chosen for this deployment was the state-of-the-art off the shelf application named Intelligent NETworks from Delcan Corporation. The software is currently deployed to the major metropolitan cities in three of ALDOT's five geographical regions: East Central Region (Birmingham), Southeast Region (Montgomery), and the Southwest Region (Mobile). The ATMS is designed to assist in transportation system management through improved incident response, incident detection, and inter-agency as well as multi-agency cooperation through a single-system operation. The software is currently in use at ALDOT's three regional traffic

2015 ACTIVITIES AND ACCOMPLISHMENTS

management centers (RTMC) which provides motorist assistance and traffic information for the citizens of Alabama and visitors traveling through the state by use of CCTV cameras, dynamic message signs (DMS), and vehicle detection systems. The system has been completely customized for ALDOT and has been branded “ALGO” (Alabama GO) and will feature a public website with live streaming video feeds and a smartphone app for both Android and Apple iOS users. The website and mobile apps are scheduled to be released spring 2016.

Disaster Recovery Facility

In 2014, ALDOT Computer Services embarked on a project to build a new off campus computer dark site. After receiving approval from ALDOT’s Administration and working in conjunction with ALDOT’s Equipment Bureau, Computer Services acquired land to build a computer data center to serve as ALDOT’s disaster recovery facility. Construction for the new facility began July 2015 and is slated to be completed by June 2016. The facility should be operational late summer or early fall 2016. The new facility will have an office, a conference room, designated work areas for operational personnel and a raised floor for equipment necessary to establish an alternative means of operation so that ALDOT can quickly resume mission-critical functions.

Office of Broadband Development

In July 2015, Governor Bentley signed an Executive Order creating the Office of Broadband Development. “The Office of Broadband Development allows Alabama to more effectively meet the demands of our businesses and citizens in an ever growing digital age,” Governor Robert Bentley said. Broadband infrastructure has been set up in many Alabama communities, but too many areas still lack adequate and affordable access to this important resource. The basic requirements for successfully accessing resources made available through broadband include (1) access to reliable broadband services at affordable costs and at speeds adequate for current and future applications, (2) access to computers and related devices, and (3) knowledge to effectively use these devices and the Internet.

In his role as Secretary of Information Technology, Brunson White was appointed Chair of the Advisory Board on Broadband. In this role, Secretary White has aided the Office of Broadband and its Director in establishing its strategic plan, major initiatives, and governance processes.

2015 ACTIVITIES AND ACCOMPLISHMENTS

Office of Information Technology

IT Project Governance

The IT Project Management Workgroup completed the policy, guidelines, templates and procedures for IT Project Governance. The four phases of governance cover IT Project Initiation, IT Project Planning, IT Project Execution and Control, and IT Project Closure.

During the initiation and planning phases, projects that meet a defined threshold will be sized evaluated to determine which will require more structured governance by OIT.

The IT Project Governance process will be implemented in early 2016.

NASPO ValuePoint

Throughout 2015, OIT actively participated in activities driven to increase the IT purchasing power of the state. Central to this aim was the partnership with the NASPO ValuePoint Cooperative Purchasing Organization (formerly WSCA-NASPO). By leveraging the leadership and expertise of all states with the purchasing power of their public entities, NASPO ValuePoint delivers best value, reliable, competitively sourced contracts. Since 1993 NASPO ValuePoint has been the cooperative purchasing arm of NASPO (the National Association of State Procurement Officials) encouraging, fostering and guiding the nation's most significant public contract cooperative. The Secretary of Information Technology played in leadership role in drafting NASPO ValuePoint's Cloud Solution Request for Proposals. This solicitation will close in March 2016, with awards to be determined in late 2016.

IT Project Budget Forms

The EBO Form 7 budget form to collect agency IT budget information was implemented with the FY 2016 budget request submission. That information has been aggregated to provide an enterprise view of projected IT spend. A companion EBO Form to collect operational budget information is in development.

OIT Coordination and Representation

In 2015, OIT sponsored the 2015 Alabama Digital Government Summit, with the goal to spread best practices and spur innovation in the Montgomery public sector. The summit has an advisory board that gathers public sector and private sector leaders to create an agenda

2015 ACTIVITIES AND ACCOMPLISHMENTS

designed to make that passion relevant and actionable to the state and local government organizations attending the summit. Participants tell us they use the inspirational keynotes, leadership discussions, networking breaks, and timely topics discussed in the numerous breakout sessions to help advance the goals of their organizations and their own career paths.

OIT leaders served as Technical Advisors for:

- Drone Task Force
- Workforce Improvement Council Data Sub-committee

In 2015, OIT represented the State of Alabama Information Technology on the following boards and associations:

- State of Alabama Office of Broadband Development
- National Association of State Chief Information Officers
- Alabama Supercomputer Authority
- Homeland Security Task Force
- Alabama Geographic Information Systems Executive Council
- American Public Human Services Association – IT Solutions Management for Human Services
- University of Alabama Management Information Systems Forum

Through these boards and associations, OIT has sought to collaborate and benchmark with peer states and State of Alabama IT stakeholders to further the Governor's IT goals.

CURRENT STATE OF IT ASSETS

Current State of IT Assets

FY2015 IT SPEND

State Summary

The State total spend for FY2015 was \$29.7 billion dollars. Of that amount, \$372 million was categorized as Information Technology spend. That equates to less than 1.3% of the total state expenditures.

The table below shows the state generally spends below 1.2% of our annual expenditures on information technology, with 2015 reaching a five year high at 1.25%.

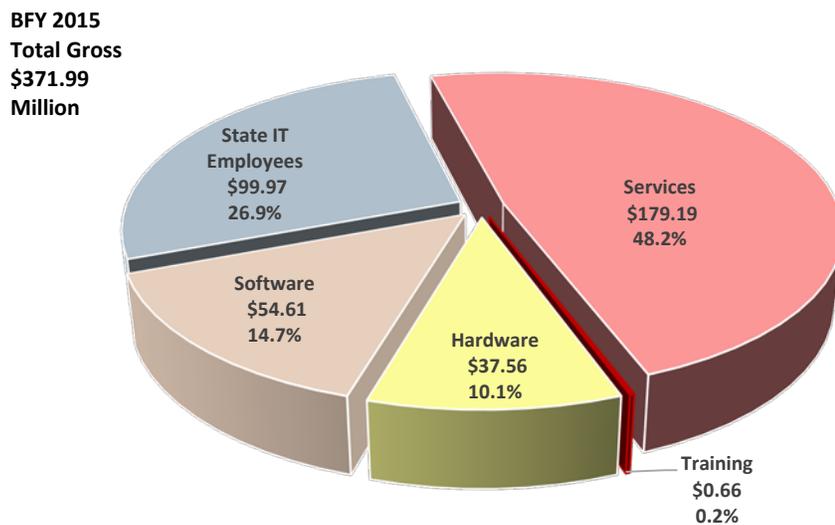
STATE SPEND IN MILLIONS \$ BY BUDGET FISCAL YEAR

BFY	Total State Spend	IT Spend	IT %
2011	\$27,313	\$287	1.05%
2012	\$27,860	\$301	1.08%
2013	\$27,925	\$311	1.11%
2014	\$29,736	\$348	1.17%
2015	\$29,662	\$372	1.25%
Average			1.13%

CURRENT STATE OF IT ASSETS

The chart below indicates the major IT spend categories for FY2015. Nearly half of the state IT spend was on professional services, while close to thirty percent was dedicated to state IT employees. The remaining funds went to software and hardware.

**BFY 2015 Estimated Cost of Information Technology by IT Category
(In \$ Millions)**

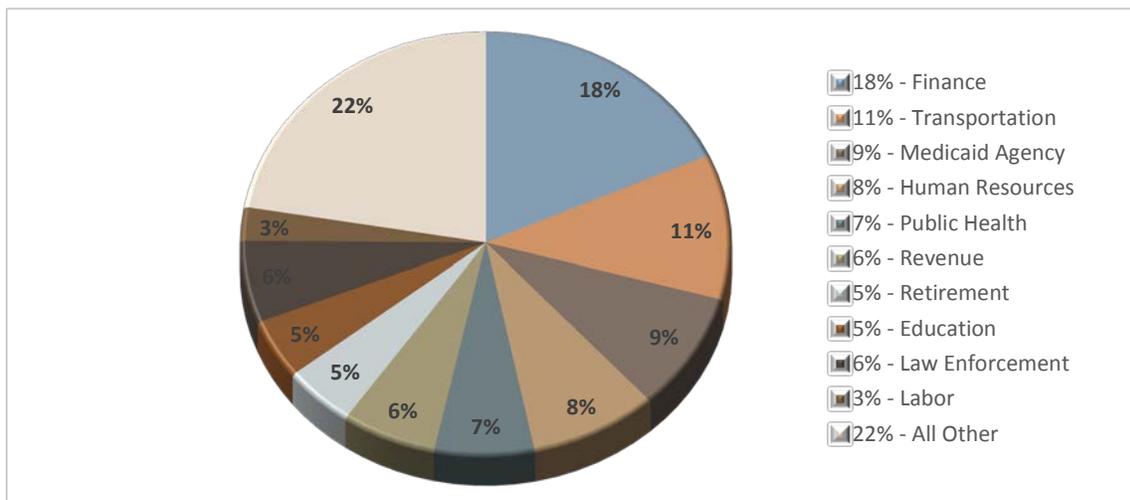


CURRENT STATE OF IT ASSETS

Agency Summary

The ten agencies that have the highest IT Spend account for 78% of the total IT spend for FY2015. The charts below show the expenditures by category and agency.

Top Ten Agencies



TOP TEN AGENCIES EXPENDITURE TABLE

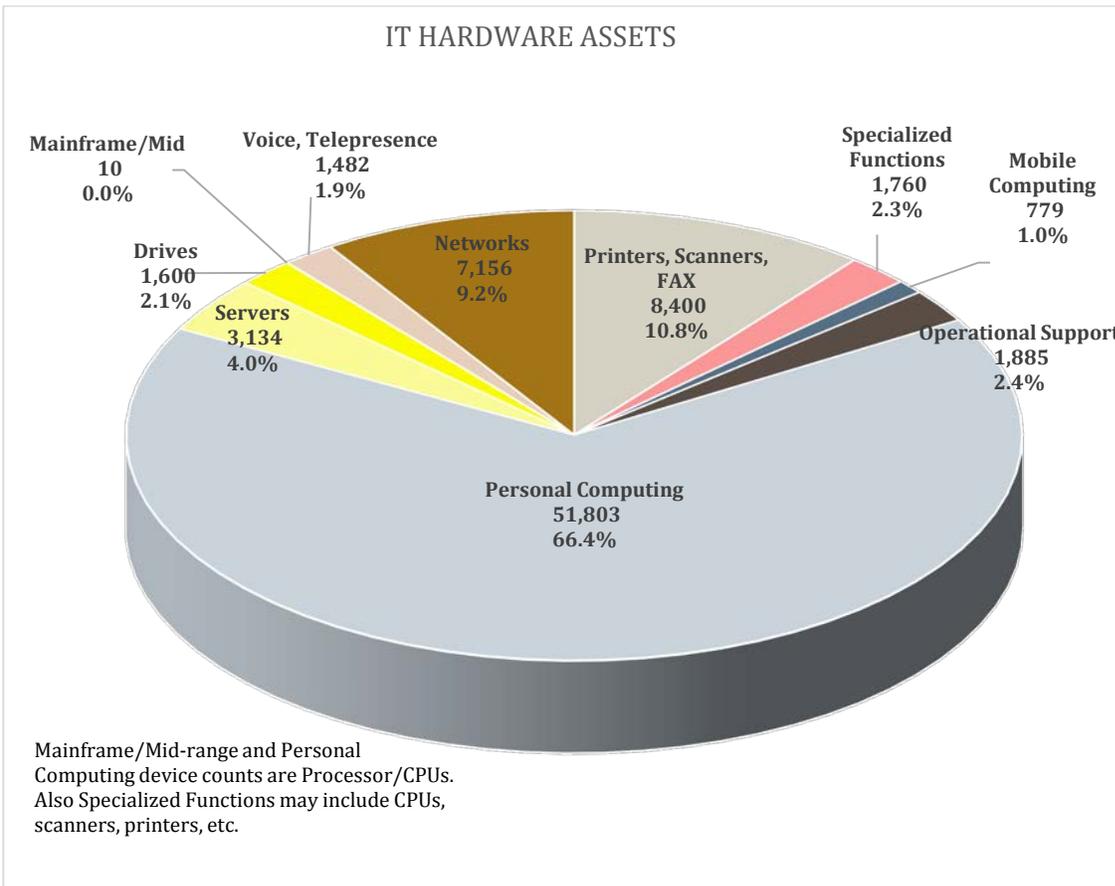
	AGENCY	HARD WARE	SOFT WARE	SERVICES	TRAINING	STATE IT STAFF	TOTAL
1	Finance	\$3.75	\$9.16	\$42.01	\$0.04	\$12.84	\$67.80
2	Transportation	\$7.10	\$8.37	\$12.45	\$0.36	\$12.96	\$41.24
3	Medicaid Agency	\$1.58	\$5.08	\$23.02	\$0.03	\$3.85	\$33.56
4	Human Resources	\$3.92	\$1.38	\$17.45	-	\$8.74	\$31.49
5	Public Health	\$3.61	\$2.01	\$9.52	\$0.00	\$9.40	\$24.54
6	Revenue	\$2.23	\$0.93	\$13.72	\$0.08	\$6.36	\$23.32
7	Law Enforcement*	\$2.12	\$1.72	\$11.14	\$0.02	\$8.17	\$17.54
8	Retirement	\$1.55	\$10.02	\$1.27	\$0.00	\$4.68	\$16.83
9	Education	\$0.49	\$6.47	\$7.52	-	\$2.35	\$23.15
10	Labor	\$0.73	\$0.84	\$3.45	\$0.00	\$4.48	\$9.50
	All Other	\$10.48	\$8.63	\$37.62	\$0.13	\$26.14	\$83.02
	Total	\$37.56	\$54.61	\$179.17	\$0.66	\$99.97	\$371.99

CURRENT STATE OF IT ASSETS

FY2015 IT INVENTORY

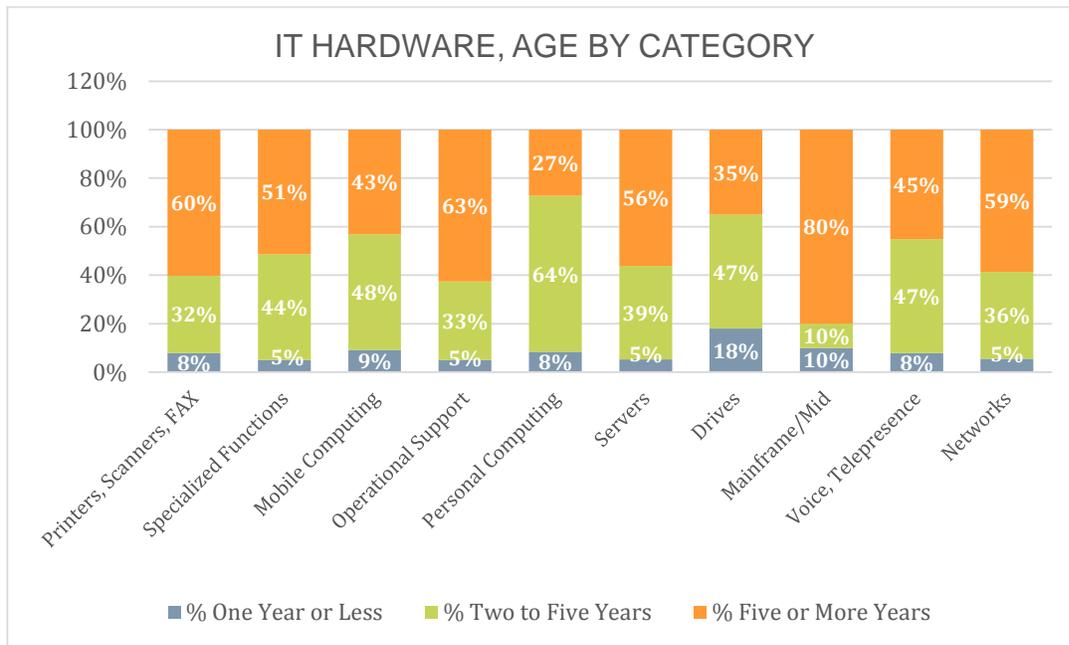
Hardware

IT Hardware accounts for approximately ten percent of the annual IT expenditures. The information presented is retrieved primarily from the system maintained by the State Auditor. The chart below reflects the IT hardware assets as of the end of the fiscal year 2015.



CURRENT STATE OF IT ASSETS

As well as tracking the numbers and types of hardware, it is also important to track the age of the state's technology hardware. The chart below shows the hardware categories by age. The personal computing machines are the most updated with only 27% in the five or more years old range. The mainframe/mid-range machines are the oldest with 80% in the five or more years old range.



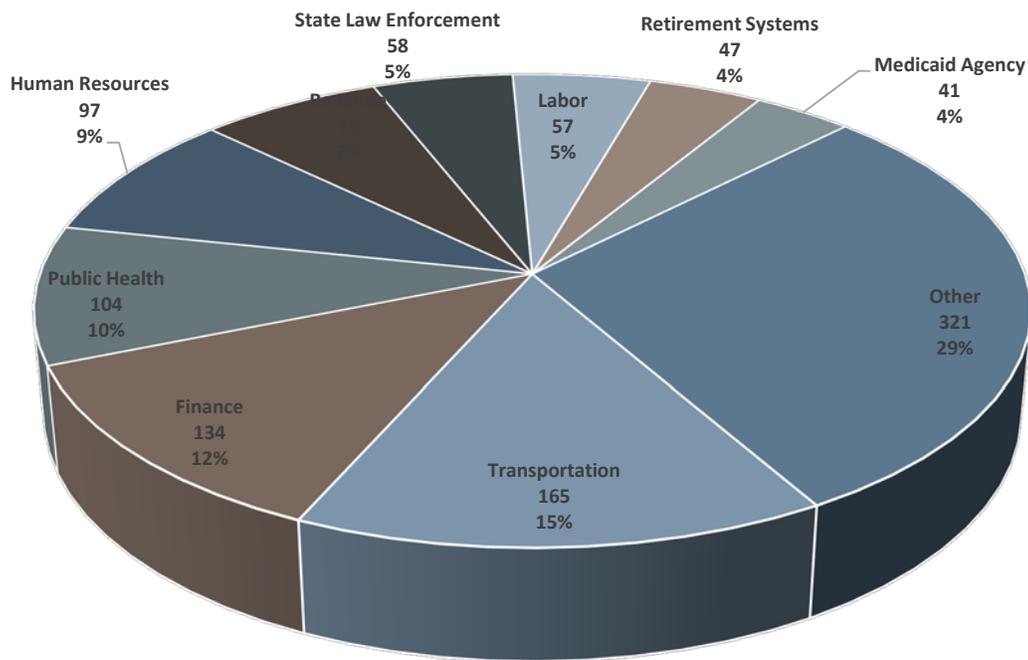
Software – an inventory of software assets is not available for FY2015

CURRENT STATE OF IT ASSETS

Personnel

The most important IT asset is IT Personnel. In FY 2015 the state had 1,099 employees in recognized IT classifications. The chart below shows the number of IT employees in the largest ten agencies. It is important to note that these numbers do not include IT staff acquired through the staff augmentation contracts.

Number of IT Employees by Agency

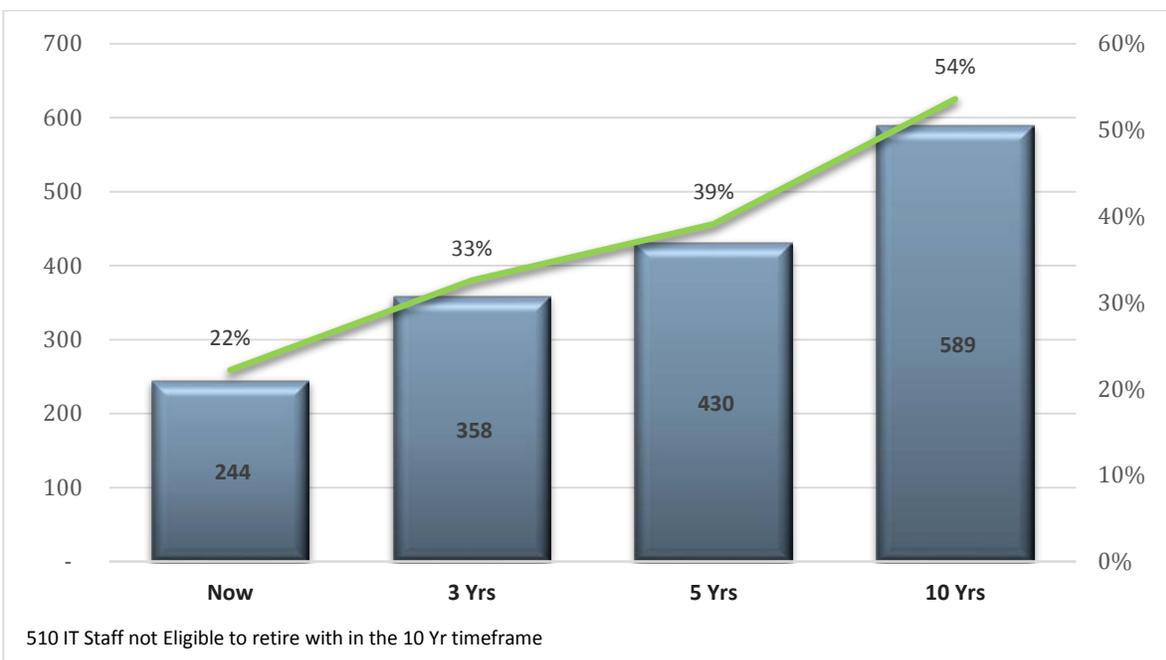


Total State Employees with IT Classification excluding Port Authority and Judicial Branch = 1099

CURRENT STATE OF IT ASSETS

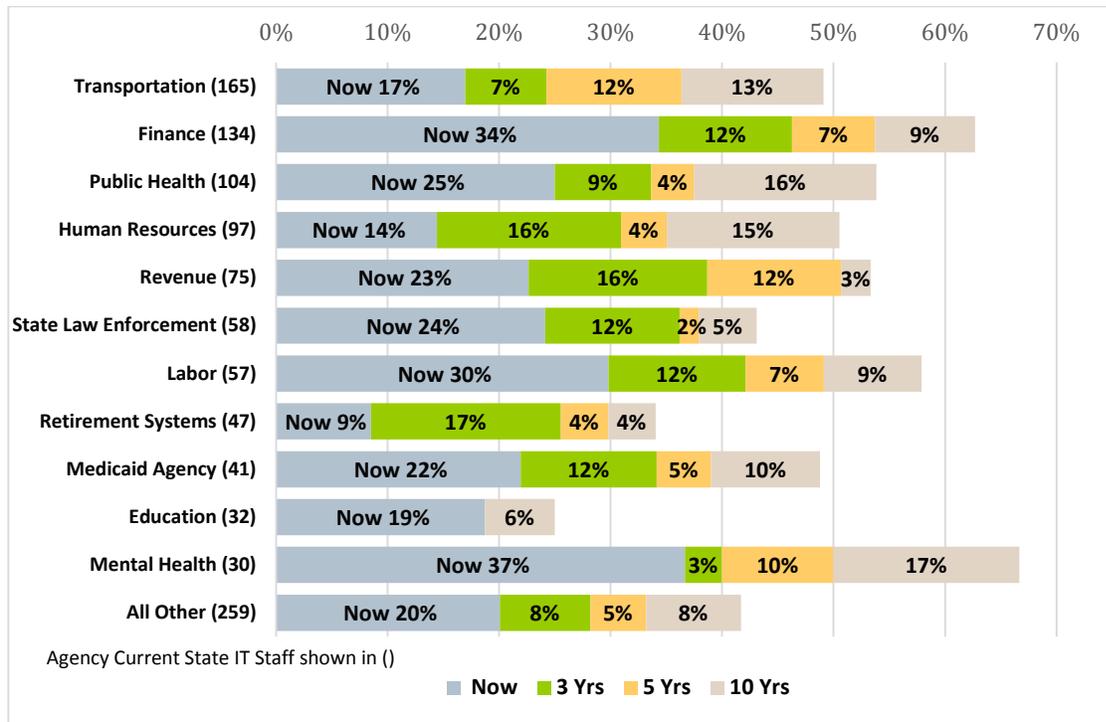
It is important to be aware of the age and longevity of staff to be prepared for the impact of staff retirements. Alabama, like most states, has an aging IT workforce, with nearly 40% of the current staff eligible for retirement in the next five years. The following chart shows the retirement potential of current staff over time.

Number and Percentage of Current Staff Eligible for Retirement over Time



CURRENT STATE OF IT ASSETS

The large state agencies have their own staff to provide specialized IT services. The table below shows the potential retirement numbers of the largest ten agencies.



CURRENT STATE OF IT ASSETS

In order to provide on-going technical services and to prepare for future IT services, an understanding of the potential shortages in IT skill sets is necessary. The chart below shows the potential retirement numbers by IT job classification.

Classification Title	Total IT Staff	Cumulative Retirement Potential				
		Now	3 Years	5 Years	7 Years	10 Years
IT Manager I	28	14	17	17	18	24
IT Manager II	29	13	19	20	21	24
IT Manager III	5	3	3	3	3	4
IT Operations Technician	27	9	11	12	12	15
IT Operations Specialist	30	11	16	19	21	22
IT Operations Supervisor	8	4	5	6	7	7
IT Operations Manager	5	4	4	5	5	5
IT Project Manager	13	2	3	4	4	7
IT Systems Technician	74	6	12	13	16	17
IT Systems Technician, Sr	91	18	32	38	44	55
IT Systems Spec, Assoc	135	23	38	45	55	68
IT Systems Specialist	138	31	46	61	64	77
IT Systems Specialist, Sr	65	29	33	38	39	43
M H Info Systems Coor I	3	-	1	1	2	2
Programmer	33	1	2	4	4	6
Programmer Analyst, Assoc	69	7	10	14	16	29
Programmer Analyst	148	24	40	54	61	83
Programmer Analyst, Sr	69	17	23	25	29	36
RSA Senior IT Manager	4	1	1	2	3	3
Sr Info Sys Administrator	3	-	-	-	-	-
Sr Software Developer	8	1	3	4	4	4
Sys Support Analyst	3	-	-	-	1	1
Systems Support Technician	3	-	-	-	-	-
Tech Services Specialist II	3	3	3	3	3	3
Technology Operations Spec	4	-	1	1	1	1
Business Technology Spec	4	-	-	-	-	-
Data Entry Operator	24	7	12	14	15	17
Data Entry Specialist	3	3	3	3	3	3
Data Processing Spec I(T)	3	2	3	3	3	3
GIS Specialist	9	-	-	-	-	-
GIS Specialist, Senior	11	1	1	1	1	1
IT Functional Systems Analyst	8	-	-	1	1	3
All Other	39	10	16	19	23	26
Total	1,099	244	358	430	479	589

OIT FINANCIALS AND ADVISORY COMMITTEES

OIT Financials and Advisory Committees

FY2015 FINANCIAL REPORT

OBJECT CODE	MAJOR OBJECT	EXPENDED
0100	Personnel Costs	\$314,188.12
0200	Employee Benefits	\$92,621.58
0300	Travel, In-State, and Per Diem	\$1,430.22
0400	Travel, Out-of-State	\$7,951.30
0600	Rentals and Leases	\$97,520.56
0700	Utilities and Communications	\$0.00
0800	Services	\$277,905.93
0900	Supplies, Materials, and Operating Expenses	\$17,831.35
1400	Other Equipment Purchases	\$19,840.25
Totals		\$829,289.31

2015 OIT EXECUTIVE COMMITTEE MEMBERS

NAME	AGENCY
Buckner, Nancy	Department of Human Resources
Byard, Jim	Department of Economics and Community Affairs
Collier, Spencer	Alabama Law Enforcement Agency
Cooper, John	Department of Transportation
Heinrich, Mark	Post-Secondary Education
Magee, Julie	Department of Revenue
Newton, Bill	Department of Finance
Ridling, Jim	Department of Insurance

OIT FINANCIALS AND ADVISORY COMMITTEES

2015 AGENCY CIO ADVISORY COUNCIL MEMBERS

NAME	AGENCY
Fields, Willie	Department of Corrections
Hargrove, Jeb	Emergency Management Agency
Hornsby, Debbie	Department of Revenue
Latham, David	Alcoholic Beverages Control Board
Maddox, Melinda	Department of Education
McDowell, Rex	Finance, Information Services Division
Pendergast, Jeannine	Department of Labor
Rainey, David	Department of Rehabilitation Services
Redden, Marty	Alabama Medicaid Agency
Stokes, Michael	Department of Transportation
Townsend, Lisa	Department of Human Resources

RSA Dexter Building
445 Dexter Avenue
Suite 9050, 9th Floor
Montgomery, AL 36104

Tel 334.242.7360

Fax 334.309.2786

Website: www.OIT.alabama.gov

