CA Department of Technology – Rate Adjustment
Fiscal Year: 2026-27
Effective Date: August 1, 2026
Service Name: Office of Technology Services - Targeted Cost Recovery Increase (TCRI)
Service Codes: Various
Cost Center: 001, 055, 079, 080, 155, 200, 203, 204, 205, 206, 207, 229, 278, 286, 288

Issue/Reason for Rate Change:

The Office of Technology Services (OTech) is currently experiencing sustained and material under-collection across multiple core infrastructure service lines. Based on FY 2026–27 projections, OTech is anticipated to under-recover approximately $22.9 million across these services, following projected under-collections of $14.1 million in FY 2025–26 and $4.62 million in FY 2024–25. This trend reflects a structural imbalance between revenue and expenses within several of OTech's direct service areas and indicates that current rates are insufficient to support ongoing operating costs.

The projected shortfall is primarily attributable to a combination of customer migration, declining consumption within certain legacy platforms, fixed infrastructure staffing and operational costs, and increases in vendor licensing and support expenses. Absent corrective action, this imbalance will continue to compound in future fiscal years.

To partially remediate this structural under-collection, CDT is targeting a ten percent (10%) rate adjustment applied to specific under-recovering services that are projected to under-collect in FY 2026–27. This approach provides a measured and administratively efficient method to improve cost recovery while maintaining portfolio-wide equity and rate predictability.

Concurrently, OTech is critically assessing operational expenditures within each impacted direct service area, as well as within associated indirect services, to identify and implement efficiencies that further narrow cost recovery gaps. These efforts include reviewing staffing alignment, contractual obligations, service utilization patterns, and operational cost drivers to ensure that expenditures are commensurate with actual service demand. Upon completion of these operational remediations in the next fiscal year, CDT will reassess the financial position of the OTech portfolio and evaluate whether additional rate adjustments are necessary to achieve sustainable cost recovery.

Description of Service Offerings:

The Office of Technology Services (OTech) provides an integrated portfolio of enterprise infrastructure services that collectively support the State's core computing, hosting, database, application delivery, remote access, and perimeter security needs. These services are not operated as isolated, stand-alone offerings; rather, they function as a coordinated infrastructure ecosystem built upon shared platforms, staffing resources, security controls, facilities, and operational governance.

The portfolio includes mainframe batch processing, Windows and Linux server hosting, multiple database platforms (Oracle, SQL Server, DB2), internet hosting services, email relay, e-commerce infrastructure, managed and unmanaged cloud services, remote access solutions, firewall and extranet services, and server load balancing. While each service has a distinct rate structure and unit of measure, they rely on common foundational components including data center facilities, virtualization layers, storage systems, network connectivity, cybersecurity monitoring, engineering support, vendor licensing agreements, and 24/7 operational staffing.

Because these services leverage shared infrastructure and centralized support functions, their financial performance is interrelated. Changes in customer demand, migration patterns, licensing costs, staffing allocations, or capital refresh requirements in one service area often affect the cost structure of others. For example, declining consumption within legacy compute platforms does not proportionally reduce fixed staffing or facility costs, which must still be sustained to support remaining customers and maintain statewide continuity of operations. Similarly, shared security, monitoring, and network capabilities underpin multiple service lines simultaneously.

For this reason, OTech evaluates these services collectively as a unified infrastructure portfolio rather than as entirely discrete financial entities. The current under-collection reflects structural pressures affecting the portfolio broadly, including customer migration to alternative hosting models, vendor cost escalation, and fixed operational cost commitments. These pressures are not confined to a single service line but impact the infrastructure ecosystem.

This rate adjustment applies only to services currently projected to under-collect in FY 2026–27. These services collectively represent OTech's traditional infrastructure portfolio, including compute, database, hosting, cloud, remote access, and perimeter security services:

Cost Center	Service Name
001	Batch CPU
055	Virtual Desktop Interface
079	Dedicated Internet Hosting Service
080	Shared Internet Hosting
155	SMTP Relay
200	Windows Server
203	Oracle Database
204	SQL Server
205	Mid-Range DB2
206	Linux Server
207	E-Commerce
229	Unmanaged Cloud Services
278	Site-to-Site VPN
286	Shared Firewall / Extranet
288	Server Load Balancing

Cost Recovery Model:

Given this interdependent operating model, CDT is implementing a uniform 10 percent (10%) brush stroke adjustment across under-collecting services rather than recalibrating each service independently. A portfolio-level adjustment ensures equitable treatment across customers, preserves rate stability, avoids disproportionate impacts on individual services, and reflects the shared cost structure inherent in OTech's delivery model. This approach also aligns with CDT's broader rate-setting methodology for infrastructure services, where financial sustainability is evaluated across the integrated service portfolio.

Although the 10% rate adjustment generates approximately $10.5 million in additional revenue based on current utilization levels (as of January 2026), the overall revenue projection also reflects anticipated future revenue losses estimated at $14.6 million under the existing (pre-rate increase) rate structure. These projected losses are driven primarily by continued customer migration, service decommissioning, and shifting consumption patterns that reduce billable volumes across affected service lines. The net result is a worsened cost recovery position in FY 2026-27, as revenue declines outpace the incremental gains generated by the rate adjustment.

Rate Methodology:
The rate for this service is based on the Historical Trend Forecast Methodology. The Historical/Trend Forecast Methodology involves forecasting costs and volume primarily on historical trends and other relevant information that may be available but not reflected in historical data. For this methodology, costs are estimated for the entire service at a given volume level. The estimated volume level is the number of projects.

1. Approach: Projected expenses and revenues for prior, current, and budget years were analyzed to determine an appropriate rate adjustment amount across all services that incrementally improve cost recovery at the service line level.
2. Billable Unit: various OTech service units billed on a per instance basis, which include but are not limited to: server, connection, processing hour, license, etc.
3. Direct cost components: Various cost components across services include staff salaries and benefits, hardware, software, vendor hosted IT charges, general operating expenses, and circuits.
4. Indirect cost components include: Technology Innovation, Privileged Access Management, Business Applications Support, Change Management, Service Desk, Shared Campus Infrastructure Connectivity, Facility Services, and Customer Engagement Services.
5. The sum of the direct and indirect costs represents total costs within each service.
6. The billable rates are determined by the formula below which is the monthly costs to provide the service divided by the number of projected monthly billable projects. This rate is set to breakeven.

$$\text{Rate per Billable Unit} = \frac{\text{Cost of Service}}{\text{Volume of Billable Units}}$$

Adjusted Rates Effective August 1, 2026:

Service Code	Service Description	Billing Metric	Current Rate	Adjusted Rate	Change
C101	CPU Batch Normalized	Hour	$613	$674	10.0%
C102	CPU TSO Normalized	Hour	$613	$674	10.0%
C103	CPU STC Normalized	Hour	$613	$674	10.0%
C104	CPU OE/MVS Normalized	Hour	$613	$674	10.0%

Service Code	Service Description	Billing Metric	Current Rate	Adjusted Rate	Change
C105	CPU CICS Normalized	Hour	$613	$674	10.0%
C106	CPU ADABAS Normalized	Hour	$613	$674	10.0%
C108	CPU DB2 Normalized	Hour	$613	$674	10.0%
C112	CPU ZIIP Normalized	Hour	$176	$194	10.2%
E108	SMTP	IP Address	$33.50	$36.85	10.0%
I114	Web Analytics	Report	$102.81	$113.09	10.0%
I119	One-Time Web Setup Fee	Web Instance	$624	$686	9.9%
I120	Assigned Internet Host-CAT1-NH	Web Server	$2,208	$2,429	10.0%
I124	Dedicated Web Support	Server	$867	$954	10.0%
I201	Shared Web Hosting Tier I	Instance	$162	$178	9.9%
I202	Shared Web Hosting Tier II	Instance	$417	$459	10.1%
I203	Shared Web Tier II Addtl 75MB STG	75 MB	$26	$29	11.5%
I204	Shared Web Tier II Addtl 1GB XFER	Gigabyte	$28	$31	10.7%
I205	Shared Web Tier II Addtl DNS REG	Domain	$22	$24	9.1%
I206	Shared Web Tier II Addtl FTP User	UserID	$11	$12	9.1%
I209	Listserv E-Mail Distribution	List	$162	$178	9.9%
I210	Shared Web SQL Hosting	DB Instance	$275	$303	10.2%
I211	Shared Website One-Time Set-Up Fee	Instance	$1,082	$1,190	10.0%
I212	Addtl FTP User ID One-Time Set-up	UserID	$22	$24	9.1%
L502	CAMC Windows IaaS Support	Per IaaS VM Instance, Per Month	$728	$801	10.0%

Service Code	Service Description	Billing Metric	Current Rate	Adjusted Rate	Change
L503	CAMC Linux IaaS Support	Per IaaS VM Instance, Per Month	$728	$801	10.0%
L601	UCS VM Includes 2 CPU 4GB RAM	Virtual Machine (VM)	$988	$1,087	10.0%
L602	Additional CPU	CPU	$188	$207	10.1%
L603	Additional RAM	GB	$60	$66	10.0%
M101	Windows Server Tier I	Server	$4,203	$4,623	10.0%
M106	Windows - no Hardware CAT 1	Server	$1,347	$1,482	10.0%
M107	Windows - no Hardware CAT 4	Server	$1,891.80	$2,081	10.0%
M108	Windows Server One-Time Set-Up Fee	Server	$789	$868	10.0%
M113	Windows First 16 GB Addtl Memory	16 GB	$14.59	$16.05	10.0%
M114	Windows Addtl 32 GB Memory	32 GB	$29	$32	10.3%
M120	Server Monitoring Tool	Customer/Month	$258	$284	10.1%
M202	One-Time Set-Up Windows Virtual Server	Instance	$395	$435	10.1%
M204	Windows Virtual Server (High Avail) 1 Core 1GB RAM	Instance	$1,030	$1,133	10.0%
M205	Virtual Server Addtl Core	Core	$129	$142	10.1%
M206	Virtual Server Addtl Memory	Gigabyte	$86	$95	10.5%
M208	Non Standard HW Virtual Linux Yr1 Surcharge	Server	$294	$323	9.9%
M209	Virtual Linux Server 1 vCPU and 2GB vRAM	Server	$1,469	$1,616	10.0%
M210	Addtl vCPU	vCPU	$214	$235	9.8%
M211	Addtl vRAM	GB	$69	$76	10.1%
M212	One-Time Set Up Virtual Linux Server	One-Time	$316	$348	10.1%

Service Code	Service Description	Billing Metric	Current Rate	Adjusted Rate	Change
M301	Shared SQL Windows Server	Instance	$669	$736	10.0%
M302	SQL Server 10 to 17 GB STG	Instance	$520	$572	10.0%
M303	SQL Server 18 to 27 GB STG	Instance	$780	$858	10.0%
M304	One-Time Set-Up SQL Server Database	Instance	$308	$339	10.1%
M601	IBM WebSphere Application Server Support - Premium	Application	$2,690	$2,959	10.0%
M602	IBM WebSphere Application Server Support - Basic	Application	$1,586	$1,745	10.0%
M603	IBM Security Access Manager Support	Appliance	$2,296	$2,526	10.0%
M604	IBM Data Power Support	Appliance	$1,865	$2,052	10.0%
M605	IBM Tivoli Federated Identity Manager Support	Server	$2,690	$2,959	10.0%
M610	IBM HTTP Server (IHS) Support for WAS	Application	$1,043	$1,147	10.0%
M611	Application Security Server Support	Application	$769	$846	10.0%
M612	IBM WebSphere MQ Support	Server	$384	$422	9.9%
M613	IBM Tivoli Access Manager WebSeal Server Support	Server	$1,538	$1,692	10.0%
M614	IBM Tivoli Access Manager Policy Server Support	Server	$1,538	$1,692	10.0%
M616	IBM Tivoli Access Manager Authorization Server	Server	$1,538	$1,692	10.0%
M618	Non Standard SW DB Support Tier II Yr1 Surcharge	DB Instance	$393	$432	9.9%
M619	Non Standard SW DB2 DB Support Yr1 Surcharge	DB Instance	$349	$384	10.0%
M620	Database Support - Tier I	DB Instance	$1,604	$1,764	10.0%
M621	Database Support One-Time Setup Tier I	One-Time/Instance	$1,042	$1,146	10.0%
M622	Database Support - Tier II	DB Instance	$1,963	$2,159	10.0%

Service Code	Service Description	Billing Metric	Current Rate	Adjusted Rate	Change
M623	Database Support One-Time Setup Tier II	One-Time/Instance	$1,163	$1,279	10.0%
M624	IBM Tivoli Directory Server (LDAP) Support	Server	$1,768	$1,945	10.0%
M627	DB2 Database Support	DB Instance	$1,747	$1,922	10.0%
M628	Enterprise Linux - IBM (WAS) Support - Premium	Server	$1,258	$1,384	10.0%
M629	Enterprise Linux - IBM HTTP Server (IHS) Support for WAS	Server	$650	$715	10.0%
M630	Enterprise Linux - IBM WebSphere MQ Support	Server	$240	$264	10.0%
M635	DB2 Database Support One-Time Setup Tier II	One-Time/Instance	$1,976	$2,174	10.0%
M636	MS SQL Enterprise License Pack+SA	Pack/Month	$679	$747	10.0%
M637	MS SQL Standard License Pack+SA	Pack/Month	$177	$195	10.2%
M638	MS SQL Enterprise Software Assurance	Pack/Month	$331	$364	10.0%
M639	MS SQL Standard Software Assurance	Pack/Month	$86	$95	10.5%
M641	Non Standard SW DB Support Tier II Yr 2 Surcharge	DB Instance	$687	$756	10.0%
M642	Non Standard SW DB Support Tier II Yr 3 Surcharge	DB Instance	$982	$1,080	10.0%
M643	Non Standard SW DB2 DB Support Yr 2 Surcharge	DB Instance	$611	$672	10.0%
M644	Non Standard SW DB2 DB Support Yr 3 Surcharge	DB Instance	$874	$961	10.0%
M650	Non Standard Support IBM Security Access Manager Support Yr 1	Appliance	$459	$505	10.0%
M651	Non Standard Support IBM Security Access Manager Support Yr 2	Appliance	$804	$884	10.0%
M652	Non Standard Support IBM Security Access Manager Support Yr 3	Appliance	$1,148	$1,263	10.0%

Service Code	Service Description	Billing Metric	Current Rate	Adjusted Rate	Change
M653	Non Standard SupportEnterprise Linux - IBM (WAS) Support Yr 1	Server	$252	$277	9.9%
M654	Non Standard Support Enterprise Linux - IBM (WAS) Support Yr 2	Server	$440	$484	10.0%
M655	Non Standard Support Enterprise Linux - IBM (WAS) Support Yr 3	Server	$629	$692	10.0%
M656	Non Standard SupportEnterprise Linux - IBM (MQ) Support Yr 1	Server	$48	$53	10.4%
M657	Non Standard Support Enterprise Linux - IBM (MQ) Support Yr 2	Server	$84	$92	9.5%
M658	Non Standard Support Enterprise Linux - IBM (MQ) Support Yr 3	Server	$120	$132	10.0%
M659	Non Standard Support IBM LDAP Support Yr 1	Server	$354	$389	9.9%
M660	Non Standard Support IBM LDAP Support Yr 2	Server	$619	$681	10.0%
M661	Non Standard Support IBM LDAP Support Yr 3	Server	$884	$972	10.0%
M713	Secure ID Token One-Time Cost	Token	$136	$150	10.3%
M714	Virtual Desktop Storage	MB	$0.0085	$0.0094	10.6%
M715	Secure ID Physical Token	Token/Month	$6.42	$7.06	10.0%
M716	Secure ID Software-Based Token	Token/Month	$3.50	$3.85	10.0%
M717	Base Application Bundle	User	$36.35	$39.99	10.0%
N209	Individual Remote Access VPN	User	$15	$17	13.3%
N606	Shared Firewall - Extranet	DMZ	$334	$367	9.9%
N608	Site to Site VPN Set-up	One-Time/Install	$788	$867	10.0%
N610	Reverse Proxy	Per Instance/Month	$303	$333	9.9%

Service Code	Service Description	Billing Metric	Current Rate	Adjusted Rate	Change
N611	Server Load Balancing	Server Instance/Month	$303	$333	9.9%
N614	Shared Firewall Extranet/One-Time Setup	One-Time	$600	$660	10.0%
N617	Enhanced Server Application Delivery - SSL	VIP/Month	$454	$499	9.9%
N618	Enhanced Server Application Delivery - ASM	VIP/Month	$454	$499	9.9%
N750	Site to Site VPN	Connection	$242	$266	9.9%
R201	Mainframe zOS & Enterprise Linux DR Support	Customer/Platform	$4,359	$4,795	10.0%
R307	Open Systems DR E-Commerce Support	Application/Month	$136	$150	10.3%
R308	Open Systems DR Database Support	Instance/Month	$1,040	$1,144	10.0%
R314	Open Systems DR Linux System Support	System/Month	$3,138	$3,452	10.0%
R315	Open Systems DR Window System Support	System/Month	$4,308	$4,739	10.0%
S219	Windows Local Storage	GB	$1.19	$1.31	10.1%

Customer Impact:
Please see attached spreadsheet detail by customer.

Revenue Impact:

Fiscal Year	Revenue	Expenses	Difference
2025-26	$97,860,162	$111,919,958	($14,059,796)
2026-27	$91,386,101	$106,672,352	($15,286,251)

Office of Technology Services - Targeted Cost Recovery Increase (TCRI)
Cost Center: 001, 055, 079, 080, 155, 200, 203, 204, 205, 206, 207, 229, 278, 286, 288
Rate Calculation

Cost Component	FY 2025-26 Projected Monthly Costs	FY 2026-27 Projected Monthly Costs	Ratio of Costs
Direct	**$ 4,580,118**	**$ 4,595,327**	**52%**
Personnel - Salary & Benefits	$ 2,429,373	$ 2,241,394	25%
Facilities	$ 321,176	$ 336,385	4%
General Expense	$ 729,293	$ 729,293	8%
Consultant & Prof Services	$ 49,429	$ 49,429	1%
Hardware & Hardare Maintenance	$ 206,610	$ 206,610	2%
Software & Software Maintenance	$ 3,080,257	$ 3,080,257	35%
Training Contracts	$ 11,242	$ 11,242	0%
Vendor Subcription IT Services	$ 182,111	$ 182,111	2%
Indirect	**$ 2,317,172**	**$ 2,052,642**	**23%**
Totals	**$ 9,326,663**	**$ 8,889,363**	**100%**

Service Category	Service	Service Code	Quantity	Current Rate	Current Revenue	Expected FY26-27 Revenue	Proposed Rates	Proposed Revenue
Batch CPU	CPU Batch Normalized	C101	3,415.67	**$ 613**	$ 2,093,805	$ 1,842,738	**$ 674**	$ 2,026,110
Batch CPU	CPU TSO Normalized	C102	131.16	**$ 613**	$ 80,403	$ 78,569	**$ 674**	$ 86,388
Batch CPU	CPU STC Normalized	C103	1,547.80	**$ 613**	$ 948,803	$ 838,189	**$ 674**	$ 921,598
Batch CPU	CPU OE/MVS Normalized	C104	26.35	**$ 613**	$ 16,153	$ 12,745	**$ 674**	$ 14,013
Batch CPU	CPU CICS Normalized	C105	2,379.87	**$ 613**	$ 1,458,860	$ 1,101,446	**$ 674**	$ 1,211,051
Batch CPU	CPU ADABAS Normalized	C106	354.66	**$ 613**	$ 217,407	$ 82,013	**$ 674**	$ 90,174
Batch CPU	CPU DB2 Normalized	C108	255.85	**$ 613**	$ 156,834	$ 156,834	**$ 674**	$ 172,440
Batch CPU	CPU ZIIP Normalized	C112	5,871.60	**$ 176**	$ 1,033,402	$ 931,899	**$ 194**	$ 1,027,206
Simple Mail Transfer Protocol Relay (SMTP)	SMTP	E108	1,825.94	**$ 33.50**	$ 61,169	$ 61,169	**$ 36.85**	$ 67,286
Dedicated Internet Hosting Service	Dedicated Web Support	I124	7.08	**$ 867**	$ 6,141	$ 6,141	**$ 954**	$ 6,758
Shared Internet Hosting	Shared Web Hosting Tier II	I202	9.92	**$ 417**	$ 4,135	$ 4,135	**$ 459**	$ 4,552
Shared Internet Hosting	Shared Web Tier II Addtl 75MB STG	I203	381.48	**$ 26**	$ 9,918	$ 9,918	**$ 29**	$ 11,063
Shared Internet Hosting	Listserv E-Mail Distribution	I209	90.65	**$ 162**	$ 14,685	$ 14,685	**$ 178**	$ 16,135
Windows Server	CAMC Windows IaaS Support	L502	28.42	**$ 728**	$ 20,687	$ 20,687	**$ 801**	$ 22,762
Unmanaged Cloud Services	UCS VM Includes 2 CPU 4GB RAM	L601	17.58	**$ 988**	$ 17,372	$ 17,372	**$ 1,087**	$ 19,113
Unmanaged Cloud Services	Additional CPU	L602	59.50	**$ 188**	$ 11,186	$ 11,186	**$ 207**	$ 12,317
Unmanaged Cloud Services	Additional RAM	L603	220.00	**$ 60**	$ 13,200	$ 13,200	**$ 66**	$ 14,520
Windows Server	One-Time Set-Up Windows Virtual Server	M202	1.42	**$ 395**	$ 560	$ 560	**$ 435**	$ 616
Windows Server	Windows Virtual Server (High Avail) 1 Core 1GB RAM	M204	184.71	**$ 1,030**	$ 190,250	$ 190,250	**$ 1,133**	$ 209,275
Windows Server	Virtual Server Addtl Core	M205	570.92	**$ 129**	$ 73,648	$ 73,648	**$ 142**	$ 81,070
Windows Server	Virtual Server Addtl Memory	M206	4,579.92	**$ 86**	$ 393,873	$ 393,873	**$ 95**	$ 435,092
Linux Server	Virtual Linux Server 1 vCPU and 2GB vRAM	M209	34.75	**$ 1,469**	$ 51,048	$ 24,674	**$ 1,616**	$ 27,143
Linux Server	Addtl vCPU	M210	257.50	**$ 214**	$ 55,105	$ 39,417	**$ 235**	$ 43,286
Linux Server	Addtl vRAM	M211	2,949.00	**$ 69**	$ 203,481	$ 150,170	**$ 76**	$ 165,405
E-Commerce	IBM WebSphere Application Server Support - Premium	M601	14.33	**$ 2,690**	$ 38,557	$ 38,557	**$ 2,959**	$ 42,412
E-Commerce	IBM WebSphere Application Server Support - Basic	M602	67.00	**$ 1,586**	$ 106,262	$ 106,262	**$ 1,745**	$ 116,915
E-Commerce	IBM HTTP Server (IHS) Support for WAS	M610	61.33	**$ 1,043**	$ 63,971	$ 63,971	**$ 1,147**	$ 70,349
E-Commerce	IBM WebSphere MQ Support	M612	8.33	**$ 384**	$ 3,200	$ 3,200	**$ 422**	$ 3,517
E-Commerce	IBM Tivoli Access Manager WebSeal Server Support	M613	8.00	**$ 1,538**	$ 12,304	$ 12,304	**$ 1,692**	$ 13,536
E-Commerce	IBM Tivoli Access Manager Policy Server Support	M614	3.00	**$ 1,538**	$ 4,614	$ 4,614	**$ 1,692**	$ 5,076
SQL Server	Database Support - Tier I	M620	38.73	**$ 1,604**	$ 62,122	$ 62,122	**$ 1,764**	$ 68,318
SQL Server	Database Support One-Time Setup Tier I	M621	0.33	**$ 1,042**	$ 347	$ 347	**$ 1,146**	$ 382
Oracle Database	Database Support - Tier II	M622	56.25	**$ 1,963**	$ 110,419	$ 97,033	**$ 2,159**	$ 106,721
E-Commerce	IBM Tivoli Directory Server (LDAP) Support	M624	20.00	**$ 1,768**	$ 35,360	$ 34,556	**$ 1,945**	$ 38,016
Mid-Range DB2	DB2 Database Support	M627	37.75	**$ 1,747**	$ 65,949	$ 52,849	**$ 1,922**	$ 58,143
E-Commerce	Enterprise Linux - IBM WebSphere MQ Support	M630	3.00	**$ 240**	$ 720	$ 720	**$ 264**	$ 792
SQL Server	MS SQL Enterprise License Pack+SA	M636	3.79	**$ 679**	$ 2,575	$ 2,575	**$ 747**	$ 2,832
SQL Server	MS SQL Standard License Pack+SA	M637	14.00	**$ 177**	$ 2,478	$ 2,478	**$ 195**	$ 2,730
SQL Server	MS SQL Enterprise Software Assurance	M638	39.21	**$ 331**	$ 12,978	$ 12,978	**$ 364**	$ 14,272
SQL Server	MS SQL Standard Software Assurance	M639	22.83	**$ 86**	$ 1,964	$ 1,964	**$ 95**	$ 2,169
Oracle Database	Non Standard SW DB Support Tier II Yr 3 Surcharge	M642	3.00	**$ 982**	$ 2,946	$ 2,946	**$ 1,080**	$ 3,240
Mid-Range DB2	Non Standard SW DB2 DB Support Yr 3 Surcharge	M644	10.00	**$ 874**	$ 8,740	$ 4,766	**$ 961**	$ 5,240
E-Commerce	Non Standard Support IBM Security Access Manager Suppor	M650	-	**$ 459**	$ -	$ -	**$ 505**	$ -
E-Commerce	Non Standard Support IBM LDAP Support Yr 1	M659	5.00	**$ 354**	$ 1,770	$ 1,770	**$ 389**	$ 1,945
E-Commerce	Non Standard Support IBM LDAP Support Yr 2	M660	5.00	**$ 619**	$ 3,095	$ 3,095	**$ 681**	$ 3,405
Virtual Desktop Interface	Virtual Desktop Storage	M714	804,229.26	**$ 0.0085**	$ 6,836	$ 6,836	**$ 0.0094**	$ 7,560
Virtual Desktop Interface	Secure ID Physical Token	M715	923.40	**$ 6.42**	$ 5,928	$ 5,928	**$ 7.06**	$ 6,519
Virtual Desktop Interface	Secure ID Software-Based Token	M716	1,809.48	**$ 3.50**	$ 6,333	$ 6,333	**$ 3.85**	$ 6,966
Virtual Desktop Interface	Base Application Bundle	M717	3,159.52	**$ 36.35**	$ 114,849	$ 114,849	**$ 39.99**	$ 126,349
Remote Access VPN/Site to Site VPN	Individual Remote Access VPN	N209	-	**$ 15**	$ -	$ -	**$ 17**	$ -
Shared Firewall/ Extranet	Shared Firewall - Extranet	N606	140.27	**$ 334**	$ 46,850	$ 46,850	**$ 367**	$ 51,479
Remote Access VPN/Site to Site VPN	Site to Site VPN Set-up	N608	1.67	**$ 788**	$ 1,313	$ 1,313	**$ 867**	$ 1,445
Server Load Balancing	Reverse Proxy	N610	23.77	**$ 303**	$ 7,203	$ 6,927	**$ 333**	$ 7,613
Server Load Balancing	Server Load Balancing	N611	137.10	**$ 303**	$ 41,543	$ 40,715	**$ 333**	$ 44,747
Server Load Balancing	Enhanced Server Application Delivery - SSL	N617	64.83	**$ 454**	$ 29,434	$ 29,434	**$ 499**	$ 32,352
Remote Access VPN/Site to Site VPN	Site to Site VPN	N750	297.02	**$ 242**	$ 71,878	$ 71,878	**$ 266**	$ 79,006
Batch CPU	Mainframe zOS & Enterprise Linux DR Support	R201	13.00	**$ 4,359**	$ 56,667	$ 51,714	**$ 4,795**	$ 56,886
E-Commerce	Open Systems DR E-Commerce Support	R307	8.00	**$ 136**	$ 1,088	$ 1,088	**$ 150**	$ 1,200
Mid-Range DB2	Open Systems DR Database Support	R308	4.00	**$ 1,040**	$ 4,160	$ 4,160	**$ 1,144**	$ 4,576
Linux Server	Open Systems DR Linux System Support	R314	0.50	**$ 3,138**	$ 1,569	$ 1,569	**$ 3,452**	$ 1,726
					$ 8,068,145	**$ 6,974,219**		**$ 7,673,808**

Service Category	Service	Service Code	Quantity	Current Rate	Current Revenue	Expected FY26-27 Revenue	Proposed Rates	Proposed Revenue

FY 2025-26 Projected	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total	% Diff
Revenue	$8,958,381	$9,183,790	$9,091,888	$8,793,829	$7,292,209	$8,015,210	$8,179,376	$7,341,889	$7,560,582	$8,063,746	$7,621,768	$7,757,492	**$97,860,162**	
Expense	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	$9,326,663	**$111,919,958**	**-12.6%**
Difference	**($368,282)**	**($142,873)**	**($234,775)**	**($532,834)**	**($2,034,454)**	**($1,311,453)**	**($1,147,287)**	**($1,984,774)**	**($1,766,081)**	**($1,262,917)**	**($1,704,895)**	**($1,569,171)**	**($14,059,796)**	

No Rate Change

FY 2026-27 Projected	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total	% Diff
Revenue	$ 6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	$6,974,219	**$83,690,623**	
Expense	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	**$106,672,352**	**-21.5%**
Difference	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($1,915,144)**	**($22,981,730)**	

Adjusted Rates

FY 2026-27 Projected	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total	% Diff
Revenue	$ 6,974,219	$ 7,673,808	$7,673,808	$7,673,808	$7,673,808	$7,673,808	$7,673,808	$7,673,808	$7,673,808	$7,673,808	$7,673,808	$7,673,808	**$91,386,101**	
Expense	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	$8,889,363	**$106,672,352**	**-14.3%**
Difference	**($1,915,144)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($1,215,555)**	**($15,286,251)**	

Customer Impact

Office of Technology Services - Targeted Cost Recovery Increase

Cost Center: Various

			Fiscal Year 2026-27		
Agency Name	**Agency ID**	**Current Monthly Charge**	**Adjusted Monthly Charge**	**Monthly Impact**	**11-Month Impact**
MOTOR VEHICLES, DEPT OF	MVX	$1,545,800	$1,701,157	$ 155,356.85	$ 1,708,925.30
SOCIAL SERVICES, DEPT OF - CWS	B5X	$1,445,423	$1,589,660	$ 144,236.70	$ 1,586,603.68
EMPLOYMENT DEVELOPMENT DEPT	EMX	$1,169,793	$1,286,638	$ 116,845.12	$ 1,285,296.28
HEALTH CARE SERVICES, DEPT OF	HDX	$610,528	$671,339	$ 60,810.93	$ 668,920.26
PUBLIC HEALTH, DEPARTMENT OF	H1X	$546,851	$602,604	$ 55,752.43	$ 613,276.71
MOTOR VEHICLES, DEPT OF	MWX	$549,713	$605,059	$ 55,345.92	$ 608,805.14
INDUSTRIAL RELATIONS, DEPT OF	ILX	$386,333	$425,523	$ 39,190.20	$ 431,092.18
STATE CONTROLLER	COX	$328,946	$361,785	$ 32,838.12	$ 361,219.37
MOTOR VEHICLES, DEPT OF	M2X	$203,982	$224,280	$ 20,298.33	$ 223,281.67
STATE TEACHERS RETIREMENT SYSTEM	STX	$131,922	$145,121	$ 13,198.65	$ 145,185.16
CORRECTIONS & REHABILITATION, DEPT OF - BIS	CEX	$126,308	$139,004	$ 12,695.95	$ 139,655.46
CONSUMER AFFAIRS, DEPT OF	LBX	$126,207	$138,805	$ 12,597.89	$ 138,576.78
INDUSTRIAL RELATIONS, DEPT OF	IRX	$95,415	$105,104	$ 9,689.06	$ 106,579.64
SOCIAL SERVICES, DEPT OF - CMIPS/IHSS	B9X	$96,322	$105,951	$ 9,629.26	$ 105,921.91
SOCIAL SERVICES, DEPT OF - CWS	N6X	$85,876	$94,464	$ 8,587.45	$ 94,461.92
HEALTH CARE SERVICES, DEPT OF	HLX	$68,704	$75,552	$ 6,847.94	$ 75,327.36
GAINWELL TECHNOLOGIES LLC	E5X	$64,306	$70,706	$ 6,399.98	$ 70,399.83
SOCIAL SERVICES, DEPT OF	BPX	$62,781	$69,058	$ 6,277.15	$ 69,048.66
DEVELOPMENTAL SERVICES, DEPT OF	DSX	$54,111	$59,499	$ 5,387.39	$ 59,261.33
MOTOR VEHICLES, DEPT OF	MKX	$49,373	$54,271	$ 4,897.45	$ 53,871.97
STATE HOSPITALS, DEPARTMENT OF	MHX	$48,922	$53,792	$ 4,870.22	$ 53,572.39
HEALTH CARE SERVICES, DEPT OF	HAX	$28,537	$31,388	$ 2,850.87	$ 31,359.62
CONSUMER AFFAIRS, DEPT OF	CAX	$26,537	$29,183	$ 2,646.07	$ 29,106.78
ALCOHOLIC BEVERAGE CONTROL, DEPARTMENT OF	ABX	$25,988	$28,607	$ 2,618.84	$ 28,807.28
HUMAN RESOURCES, DEPT OF	DPX	$19,436	$21,378	$ 1,942.17	$ 21,363.83
STATE CONTROLLER	FCX	$18,509	$20,369	$ 1,860.02	$ 20,460.23
CALIFORNIA WORKFORCE DEVELOPMENT BOARD	WIX	$18,316	$20,150	$ 1,834.09	$ 20,174.96
CHILD SUPPORT SERVICES, DEPT OF	NKX	$17,850	$19,638	$ 1,787.73	$ 19,665.06
SOCIAL SERVICES, DEPT OF - CWS	NMX	$11,818	$12,995	$ 1,177.07	$ 12,947.82
TRANSPORTATION, DEPT OF	TRX	$11,299	$12,423	$ 1,124.33	$ 12,367.59
TAX & FEE ADMINISTRATION, CA DEPT OF	EQX	$10,908	$11,994	$ 1,085.54	$ 11,940.91
FOOD & AGRICULTURE, DEPT OF	FAX	$7,836	$8,621	$ 784.79	$ 8,632.74
OFFICE OF PLANNING AND RESEARCH	ORX	$6,124	$6,783	$ 658.94	$ 7,248.31
MOTOR VEHICLES, DEPT OF	MZX	$5,479	$6,024	$ 545.17	$ 5,996.88
REHABILITATION, DEPT OF	RHX	$4,770	$5,244	$ 474.69	$ 5,221.58
SOCIAL SERVICES, DEPT OF - WDTIP	V6X	$4,740	$5,212	$ 472.14	$ 5,193.49
STATE CONTROLLER	PDX	$4,359	$4,795	$ 436.00	$ 4,796.00
SOCIAL SERVICES, DEPT. OF - HCSCPA	HQX	$4,359	$4,795	$ 436.00	$ 4,796.00
ENVIRONMENTAL PROTECTION AGENCY	EVX	$3,584	$3,938	$ 354.00	$ 3,894.00
CALIFORNIA HORSE RACING BOARD	RBX	$3,319	$3,652	$ 333.26	$ 3,665.83
CONSUMER AFFAIRS, DEPT OF	AFX	$2,837	$3,120	$ 282.73	$ 3,110.01
CORRECTIONS & REHABILITATION, DEPT OF	CRX	$2,606	$2,864	$ 257.80	$ 2,835.80
STATE WATER RESOURCES CONTROL BOARD	WBX	$2,332	$2,565	$ 233.00	$ 2,563.00
VETERAN AFFAIRS, DEPT OF	VAX	$1,944	$2,136	$ 192.00	$ 2,112.00
SOCIAL SERVICES, DEPT OF - STATE CLIENT INDEX	B7X	$1,833	$2,015	$ 182.37	$ 2,006.09
EDUCATION, DEPT OF	ELX	$1,818	$2,000	$ 181.60	$ 1,997.61
CANNABIS CONTROL, DEPT OF	KIX	$1,688	$1,856	$ 168.01	$ 1,848.06
EQUALIZATION, BOARD OF	ECX	$1,458	$1,602	$ 144.00	$ 1,584.00
CONSUMER AFFAIRS, DEPT OF	RLX	$961	$1,065	$ 104.27	$ 1,146.92

Customer Impact

Office of Technology Services - Targeted Cost Recovery Increase

Cost Center: Various

Agency Name	Agency ID	Current Monthly Charge	Adjusted Monthly Charge	Fiscal Year 2026-27 Monthly Impact	Fiscal Year 2026-27 11-Month Impact
REAL ESTATE, DEPT OF	R1X	$989	$1,089	$ 100.26	$ 1,102.86
HEALTH CARE SERVICES, DEPT OF	HSX	$1,002	$1,101	$ 99.00	$ 1,089.00
SACRAMENTO, COUNTY OF	C6X	$988	$1,086	$ 98.32	$ 1,081.55
EARTHQUAKE AUTHORITY, CALIFORNIA	CUX	$815	$896	$ 81.64	$ 897.99
PRIVACY PROTECTION AGENCY, CA	N5X	$810	$890	$ 80.00	$ 880.00
PUBLIC EMPLOYEES RETIREMENT SYSTEM	PWX	$726	$798	$ 72.00	$ 792.00
FI$CAL	F8X	$687	$755	$ 68.10	$ 749.10
OFFICE OF EMERGENCY SERVICES	OEX	$675	$742	$ 66.67	$ 733.33
CHILD SUPPORT SERVICES, DEPT OF	CNX	$660	$726	$ 65.83	$ 724.13
CALIFORNIA CIVIL RIGHTS	EHX	$486	$534	$ 48.00	$ 528.00
TOXIC SUBSTANCES CONTROL, DEPT OF	TWX	$486	$534	$ 48.00	$ 528.00
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE	IDX	$484	$532	$ 48.00	$ 528.00
LEGISLATIVE COUNSEL BUREAU	ASX	$484	$532	$ 48.00	$ 528.00
CA VICTIM COMPENSATION BOARD	BCX	$480	$528	$ 47.96	$ 527.51
CONSUMER AFFAIRS, DEPT OF	AKX	$458	$504	$ 45.71	$ 502.85
CONSERVATION, DEPT OF	CMX	$458	$503	$ 45.40	$ 499.40
FINANCE, DEPT OF	FIX	$437	$481	$ 43.58	$ 479.33
STATE CONTROLLER	PSX	$427	$470	$ 42.50	$ 467.49
EMPLOYMENT DEVELOPMENT DEPT	UTX	$417	$459	$ 42.00	$ 462.00
HOUSING & COMMUNITY DEVELOPMENT, DEPT OF	HOX	$418	$460	$ 41.55	$ 457.06
AIR RESOURCES BOARD	ARX	$387	$426	$ 38.60	$ 424.58
HEALTH CARE SERVICES, DEPT OF	OAX	$334	$367	$ 33.00	$ 363.00
PUBLIC UTILITIES COMMISSION	UCX	$326	$358	$ 32.18	$ 353.99
TAX APPEALS, OFFICE OF	OQX	$324	$356	$ 32.00	$ 352.00
UNIVERSITY OF CALIFORNIA, OFFICE OF THE PRESIDENT	U9X	$310	$340	$ 30.98	$ 340.76
MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION	IAX	$296	$325	$ 29.40	$ 323.40
INSURANCE, DEPT OF	INX	$276	$304	$ 27.69	$ 304.57
AGING, DEPARTMENT OF	AGX	$276	$303	$ 27.35	$ 300.85
PUBLIC EMPLOYEES RETIREMENT SYSTEM	PAX	$247	$271	$ 24.46	$ 269.02
FRANCHISE TAX BOARD	FTX	$245	$270	$ 24.34	$ 267.75
FAIR POLITICAL PRACTICES COMMISSION	FPX	$244	$268	$ 24.18	$ 265.97
GOVERNORS' OF THE CALIFORNIA COMMUNITY COLLEGES, BOARD OF	CCX	$242	$266	$ 24.00	$ 264.00
CONSUMER AFFAIRS, DEPT OF	RXX	$217	$238	$ 21.59	$ 237.52
SECRETARY FOR TRANSPORTATION, OFFICE OF TRAFFIC SAFETY	OHX	$202	$222	$ 19.99	$ 219.89
PARKS AND RECREATION, DEPT OF	PRX	$198	$218	$ 19.59	$ 215.50
EDUCATION, DEPT OF	BFX	$188	$207	$ 18.97	$ 208.65
CONSUMER AFFAIRS, DEPT OF	CHX	$173	$190	$ 17.12	$ 188.29
DATA & INNOVATION, OFFICE OF	1WX	$169	$186	$ 17.01	$ 187.14
MANAGED HEALTH CARE, DEPT OF	NEX	$168	$184	$ 16.75	$ 184.25
GOVERNMENT OPERATIONS AGENCY	GWX	$162	$178	$ 16.00	$ 176.00
LABOR & WORKFORCE DEVELOPMENT AGENCY	H4X	$162	$178	$ 16.00	$ 176.00
ENVIRONMENTAL HEALTH HAZARD ASSESSMENT	BYX	$136	$149	$ 13.58	$ 149.42
WATER RESOURCES, DEPT OF	WRX	$134	$147	$ 13.40	$ 147.40
OFFICE OF EMERGENCY SERVICES	6QX	$135	$148	$ 13.33	$ 146.67
PLACER, COUNTY OF: SHERIFF'S OFFICE	KNX	$120	$132	$ 12.05	$ 132.50
EMPLOYMENT DEVELOPMENT DEPT	ETX	$101	$111	$ 10.05	$ 110.55
CALFED BAY-DELTA PROGRAM	D2X	$101	$111	$ 10.05	$ 110.55
COMMUNITY CORRECTIONS, BD OF STATE AND	KSX	$101	$111	$ 10.05	$ 110.55
FORESTRY AND FIRE PROTECTION, DEPT OF	FSX	$101	$111	$ 10.05	$ 110.55

Customer Impact

Office of Technology Services - Targeted Cost Recovery Increase

Cost Center: Various

				Fiscal Year 2026-27	
Agency Name	Agency ID	Current Monthly Charge	Adjusted Monthly Charge	Monthly Impact	11-Month Impact
SOCIAL SERVICES, DEPT OF - EBT	B8X	$101	$111	$ 10.05	$ 110.55
SECRETARY OF STATE	SSX	$98	$108	$ 9.80	$ 107.77
CONSUMER AFFAIRS, DEPT OF	DUX	$88	$97	$ 8.79	$ 96.71
CONSUMER AFFAIRS, DEPT OF	BEX	$85	$94	$ 8.48	$ 93.32
CONSUMER AFFAIRS, DEPT OF	BQX	$70	$77	$ 6.96	$ 76.53
CALIFORNIA STATE AUDITOR'S OFFICE	AUX	$48	$53	$ 4.76	$ 52.38
STATE CONTROLLER	ADX	$47	$52	$ 4.75	$ 52.20
CONSUMER AFFAIRS, DEPT OF	AYX	$41	$45	$ 4.08	$ 44.88
INSPECTOR GENERAL, OFFICE OF THE	IGX	$34	$37	$ 3.35	$ 36.85
SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION	SCX	$34	$37	$ 3.35	$ 36.85
CONSUMER AFFAIRS, DEPT OF	AIX	$31	$34	$ 3.05	$ 33.60
CONSUMER AFFAIRS, DEPT OF	AQX	$29	$32	$ 2.91	$ 32.06
CALIFORNIA STATE UNIVERSITY, CHANCELLOR'S OFFICE	U7X	$26	$29	$ 2.60	$ 28.63
TRANSPORTATION, DEPT OF	TPX	$20	$22	$ 1.96	$ 21.52
STUDENT AID COMMISSION	SAX	$15	$16	$ 1.46	$ 16.09
HEALTH CARE ACCESS & INFO, DEPT OF	SDX	$11	$12	$ 1.08	$ 11.87
CONSUMER AFFAIRS, DEPT OF	FNX	$8	$9	$ 0.83	$ 9.10
CONSUMER AFFAIRS, DEPT OF	ENX	$8	$8	$ 0.77	$ 8.45
SOCIAL SERVICES, DEPT OF - SAWS	B3X	$7	$8	$ 0.72	$ 7.95
PRISON INDUSTRY AUTHORITY	PIX	$4	$4	$ 0.39	$ 4.32
CALIFORNIA HIGHWAY PATROL. DEPT OF THE	HPX	$4	$4	$ 0.37	$ 4.08
STATE LOTTERY COMMISSION	LOX	$4	$4	$ 0.35	$ 3.84
ENERGY COMMISSION, CA	ERX	$3	$3	$ 0.27	$ 2.93
EDUCATION, DEPT OF	EDX	$2	$3	$ 0.23	$ 2.52
CA HEALTH BENEFIT EXCHANGE	H5X	$2	$2	$ 0.18	$ 1.97
RIVERSIDE, COUNTY OF	QUX	$2	$2	$ 0.16	$ 1.73
EMERGENCY MEDICAL SERVICES AUTHORITY	MOX	$1	$2	$ 0.14	$ 1.58
TAX & FEE ADMINISTRATION, CA DEPT OF	Q8X	$1	$1	$ 0.07	$ 0.72
FINANCIAL PROTECTION & INNOV, DEPT OF	CPX	$0	$0	$ 0.02	$ 0.23
JUSTICE, DEPARTMENT OF	JDX	$0	$0	$ 0.02	$ 0.22
CONSUMER AFFAIRS, DEPT OF	AWX	$0	$0	$ 0.01	$ 0.13
REAL ESTATE, DEPT OF	REX	$0	$0	$ 0.01	$ 0.13
CONSUMER AFFAIRS, DEPT OF	DBX	$0	$0	$ 0.01	$ 0.11
CONSUMER AFFAIRS, DEPT OF	LDX	$0	$0	$ 0.01	$ 0.11
GENERAL SERVICES, DEPT OF	GSX	$0	$0	$ 0.01	$ 0.09
STATE TREASURER	OTX	$0	$0	$ 0.00	$ 0.05
TOTAL		**$ 8,068,143**	**$ 8,876,982**	**$ 808,839**	**$ 8,897,226**