

<h1>IT POLICY LETTER</h1>	NUMBER: ITPL 10-18
SUBJECT: INFORMATION TECHNOLOGY EXPENDITURE REPORTING AND COST OPTIMIZATION Emphasis: Information Technology and Related Expenditures Savings in 2010-11	DATE ISSUED: December 30, 2010 EXPIRES: Until Rescinded
REFERENCES: Government Code Section 11546.2 Statewide Information Management Manual Sections 05A and 55 State Administrative Manual Section 4903.2	ISSUING AGENCY: OFFICE OF THE STATE CHIEF INFORMATION OFFICER SUPERCEDES: ITPL 10-06

DISTRIBUTION Agency Secretaries
 Department Directors
 Agency Chief Information Officers
 Department Chief Information Officers
 Department Budget Officers
 Department of Finance Budget Staff

PURPOSE The purpose of this Information Technology Policy Letter (ITPL) is to provide instructions and supporting information to assist state agencies¹ with the preparation and transmittal of the Information Technology (IT) Cost Report for 2010-11. Specifically, this ITPL announces the following:

- Updated instructions and templates for completing and submitting IT Cost Reports in Section 55 of the Statewide Information Management Manual (SIMM).
 This includes the addition of new worksheets to the IT Cost Report template to collect standard complement amounts for IT classifications, and maintenance and operation (M&O) costs for completed IT projects.
- Updated instructions for submitting IT Cost Reports to the California Technology Agency (Technology Agency)² in Section 05A of the SIMM.
- Changes to Section 4903.2 of the State Administrative Manual (SAM) consistent with the SIMM updates previously referenced.

BACKGROUND Government Code Section 11546.2 (as updated by Assembly Bill 2408, Chapter 404, Statutes of 2010) requires each state agency to report actual and projected information technology and telecommunications costs,

¹ When capitalized, the term “Agency” refers to one of the state’s super Agencies such as the State and Consumer Services Agency or the Health and Human Services Agency. When used in lower case, the term “agency” refers to any office, department, board, bureau, commission or other organizational entity within state government. Within this ITPL, “agency” and “department” are used interchangeably.

² Effective January 1, 2011, the Office of the State Chief Information Officer (OCIO) is renamed the California Technology Agency (Technology Agency).

including personnel, to the Technology Agency by February 1, 2011. The IT Cost Report Template included within SIMM Section 55 is the reporting mechanism for providing these costs.

**SIMM AND SAM
CHANGES AND
SUBMITTAL
INSTRUCTIONS**

The SIMM, located at http://www.cio.ca.gov/Government/IT_Policy/SIMM.html, has been updated to include the following changes:

- **SIMM Section 55, IT Cost Reporting** – Significant changes to the IT Cost Report Template in SIMM 55B. The changes to each worksheet tab within the template are itemized in Attachment A.

In addition, the IT Cost Report Preparation Instructions within SIMM 55 have also been updated to align with the changes to the IT Cost Report Template in SIMM 55B.

Further, the Frequently Asked Questions and Responses in SIMM 55C have been updated consistent with the IT Cost Reporting changes 2010-11.

Finally, the Transmittal Letter Template in SIMM 55A has also been updated to indicate submittal to the Technology Agency rather than to the Department of Finance. The changes to the submittal instructions are described in the SIMM 05A update immediately following.

- **SIMM Section 05A, Summary of Information Technology Reports and Activities** – Updated to emphasize the following changes to the submittal instructions:
 - Submit the completed Information Technology Cost Report Template electronically in an Excel file (2003 or later), and the signed Transmittal Letter as a scanned PDF. The IT Cost Report Template and the Transmittal Letter are located in SIMM 55B and 55A respectively.
 - When naming each document, use your organizational code followed by your departmental acronym at the front of each file name (e.g. 8860_DOF_ITCostReport.xls).
 - All documents shall be submitted together via electronic mail to: ITCostReport@state.ca.gov, by February 1, 2011.

Please note: In 2010, submittal of IT Cost Reports was split into two phases. For reporting in 2011 and beyond, IT Cost reports shall be submitted in a single phase by February 1 each year.

The SAM Section 4903.2, Information Management Costs, will be updated to incorporate the changes previously discussed. An advance copy of the SAM update is included in this ITPL as Attachment B.

APPLICABILITY

This ITPL applies to all agencies, departments, offices, boards, bureaus and commissions.

CONTACT

If you have any questions, please contact Gregg Fukuhara, Principal, California Technology Agency at (916) 403-9639, or by e-mail at Gregg.Fukuhara@state.ca.gov.

**Information Technology Cost Report Template Changes
Statewide Information Management Manual Section 55B**

Worksheet Tab Name	Changes
Computing Costs	<ul style="list-style-type: none"> a. Separated Department Name and Org Code into 2 lines b. Added Funding Splits for each fiscal year reported c. Eliminated Actual and Projected reporting for the current year. Only projected amount is requested d. Added third fiscal year to the data request. There are two prior year actual costs requested.
Network Costs	<ul style="list-style-type: none"> a. Separated Department Name and Org Code into 2 lines b. Added Funding Splits for each fiscal year reported c. Eliminated Actual and projected reporting for the current year. Only projected amount is requested d. Added third fiscal year to the data request. There are two prior year actual costs requested.
IT OE&E Reductions	Deleted. No longer applicable.
Savings Opportunities	Deleted. No longer applicable.
Standard Complement	<p>This is a new worksheet that includes the following fields</p> <ul style="list-style-type: none"> a. Classification (Department or IT) b. General Expense c. Communication d. Travel e. Training f. Facilities g. PC/Workstation h. Laptop i. Printer j. Hardware k. Software l. Other
Completed Projects M&O	<p>This is a new worksheet that includes the following fields</p> <ul style="list-style-type: none"> a. Project Number b. Project/Application Name c. FY 2010-11 Total M&O Cost d. FY 2010-11 Vendor Amount e. FY 2010-11 Hardware Amount f. FY 2010-11 Software Amount g. FY 2010-11 State Staff Amount h. Number of PYs State Staff i. Total Vendor Contract j. Total Vendor Hardware Amount k. Total Vendor Software Amount l. End Date Vendor Contract

Note: In 2010, submittal of IT Cost Reports was split into two phases. For reporting in 2011 and beyond, IT Cost reports shall be submitted in a single phase by February 1 each year.

4903.2 INFORMATION MANAGEMENT COSTS

(Revised xx/11)

By February 1 of each year, or as instructed by the Technology Agency, each agency is required to summarize its actual and projected information technology costs for the past year, and current year. The format and instructions for submittal required by the Technology Agency is specified in Section 55 of the SIMM.