

<h1 style="text-align: center;">IT POLICY LETTER</h1>	NUMBER: ITPL 10-06
SUBJECT: INFORMATION TECHNOLOGY EXPENDITURE REPORTING AND COST OPTIMIZATION Emphasis: Information Technology and Related Expenditures Savings in 2009-10	DATE ISSUED: April 15, 2010 EXPIRES: Until Rescinded
REFERENCES: Budget Act of 2009 Executive Order S-03-10 Department of Finance Budget Letter 10-06 Statewide Information Management Manual Section 55	ISSUING AGENCY: OFFICE OF THE STATE CHIEF INFORMATION OFFICER

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 additional instructions and information to assist state agencies¹ with the preparation and transmittal of Information Technology (IT) Cost Report information. Specifically, this ITPL announces the following updates to Section 55 of the Statewide Information Management Manual (SIMM):

- The addition of Frequently Asked Questions (FAQ) and responses as SIMM Section 55C.
- The release of updated Cost Report Preparation Instructions and an IT Cost Report Template as SIMM Sections 55 and 55B respectively.

BACKGROUND

On March 30, 2010, the Department of Finance (Finance) and the Office of the Chief Information Officer (OCIO) jointly released Budget Letter (BL) 10-06. BL 10-06 provided instructions, templates, and timeframes for reporting IT cost information that will be utilized by the OCIO and Finance to identify additional savings opportunities in accordance with Control Sections 13.25 and 15.30, Budget Act of 2009.

BL 10-06 split the reporting of the required cost information into two phases, with Phase 1 data elements identified in the SIMM 55B reporting template in ***bold and italic font***. The following timeframes were specified for completing each Phase:

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.

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- Departments report Phase 1 data elements to their cabinet-level Agency for approval by April 14, 2010. Agencies submit approved Phase 1 reports to Finance by April 21, 2010. Departments not affiliated with a cabinet-level Agency submit Phase 1 data to Finance by April 14, 2010.
 - Departments add Phase 2 data elements to their Phase 1 reporting template and submit to their cabinet-level Agency for approval by April 26, 2010. Agencies submit approved Phase 2 reports to Finance by May 3, 2010. Departments not affiliated with a cabinet-level Agency submit Phase 2 reports to Finance by April 26, 2010.
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CHANGES

Based on comments and discussion with Agencies and departments, the SIMM 55B report template, is revised for Phase 2 reporting. When preparing Phase 2 reports, departments should:

- Use the updated Cost Report Template in SIMM 55B to enter Phase 2 data elements.
- Add Phase 1 data elements to the Cost Report Template containing the Phase 2 data.

A summary of the SIMM 55B report template changes is included in Attachment A. In addition to the SIMM 55B changes, SIMM Section 55 has been updated to include the following changes:

- **Section 55, Information Technology Cost Report Preparation Instructions** – Updated to reflect the changes made to the SIMM Section 55B Information Technology Cost Report Template.
- **Section 55C, Information Technology Cost Report Frequently Asked Questions** – Added to assist agencies with the timely completion of the IT Cost Report template.

SIMM Section 55 is located at http://www.cio.ca.gov/Government/IT_Policy/SIMM.html.

APPLICABILITY

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

SUBMITTAL OF COMPLETED PHASE 2 REPORTS

The submittal instructions included in BL 10-06 remain unchanged, i.e., all documents shall be submitted together via electronic mail to the following address: ITCUDOCs@dof.ca.gov. The SIMM 55B Information Technology Cost Report Template shall be submitted electronically in an Excel file (2003 or later) and the signed SIMM 55A transmittal letter as a scanned PDF. Please insert your organizational code followed by departmental acronym at the front of each file name (e.g. 8860_DOF_ITCostReport.xls).

CONTACT

If you have any questions, please contact Adrian Farley, Chief Deputy Director, Office of the State Chief Information Officer at (916) 319-9223 or via email at adrian.farley@state.ca.gov or Richard Gillihan, Chief, Information Technology Operations and Consulting, Department of Finance, at (916) 445-1777, ext. 3223 or via email at richard.gillihan@dof.ca.gov.

SIGNATURE

/s/

Teri Takai,
Chief Information Officer
State of California

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

1. Computing Costs Worksheet
 - a. Added the following categories for IT Staffing
 - i. Project Management Office (line 3)
 - ii. Administration Staff (line 4)
 - iii. Application Developers (line 5)
 - iv. IT Mangers (line 6)
 - v. IT Procurement (line 7)
 - vi. Temporary Help (Student assistants, Retired Annuitants) (line 8)
 - b. Added Footnote category at the bottom of the worksheet. (line 20)
 - c. Renumbered all categories as a result of adding new categories.
 - d. Corrected formula for Net Costs. (line 18)
 - e. Separated the title from the entry box for Department Name and Org
 - i. The title is now in one cell and the data entry cell is in another.
 - f. Locked all fields that do not require data entry.
2. Networking & Telecommunications Costs Worksheet
 - a. Added Footnote category at the bottom of the worksheet. (line 19)
 - b. Changed Total Interagency Agreement Costs to a calculated field. (line 17)
 - c. Separated the title from the entry box for Department Name and Org
 - i. The title is now in one cell and the data entry cell is in another.
 - d. Locked all fields that do not require data entry.