



Virginia Information Technologies Agency

# VITA Update

**Sam A. Nixon Jr.**

Chief Information Officer of the Commonwealth

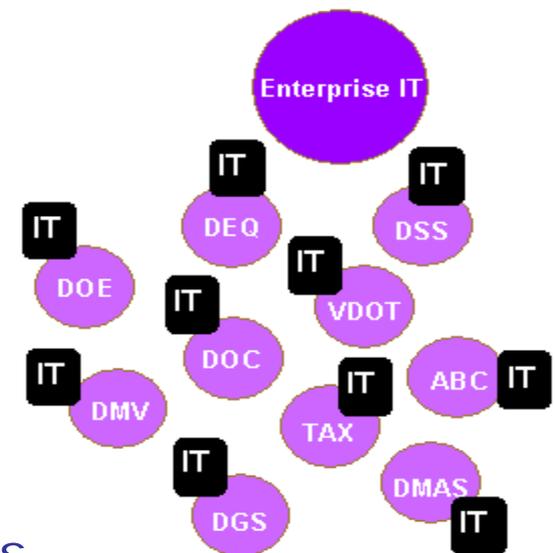
---

Information Technology Advisory Council

December 12, 2014

# State of Technology, Pre-VITA

- 90+ independent, autonomous IT shops
  - Duplicative systems
  - Few metrics on performance & spending
  - Inability to leverage buying power or manage investments
- Aging, decades-old infrastructure
  - Inadequate security
  - Limited disaster planning
  - Obstacles to sharing data across agencies
- Millions \$ in failed IT projects
  - No project management
- Unsustainable





# VITA's Mission: Mandate for Change

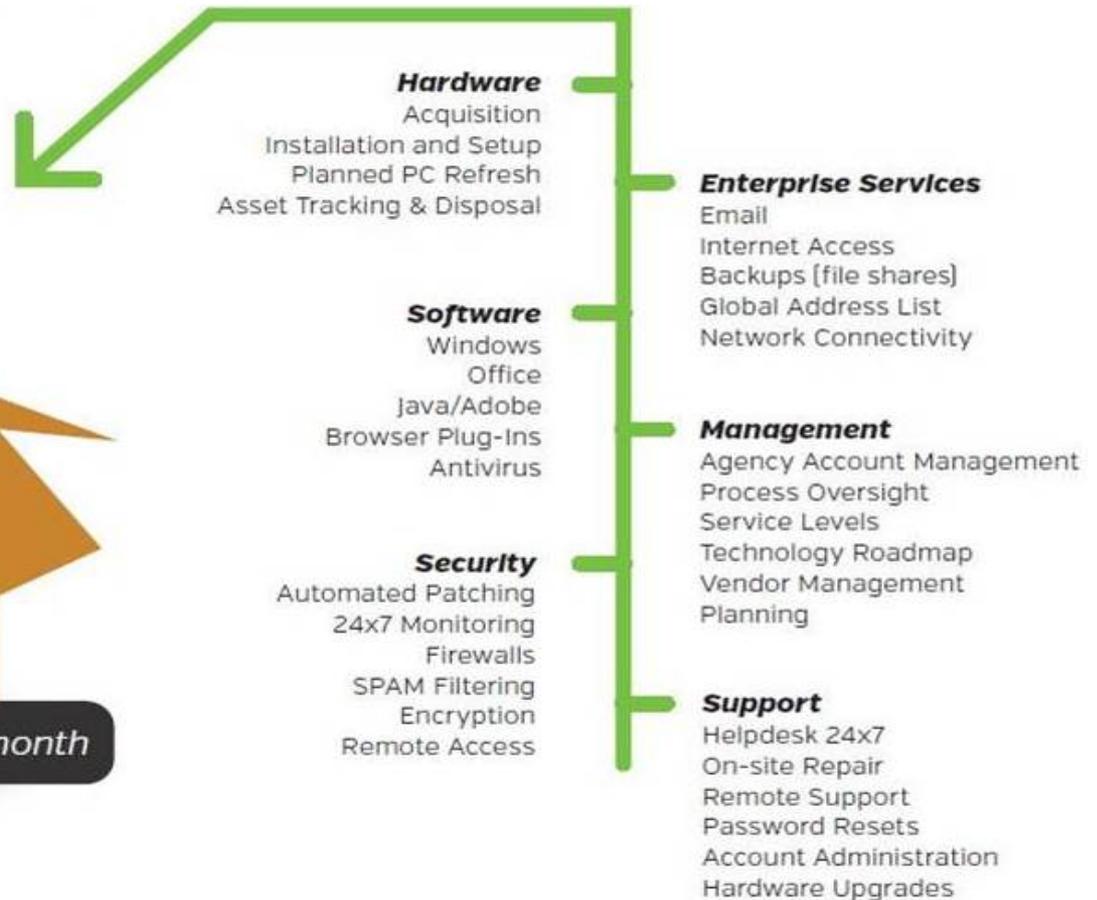
- Executive & Legislative Branch leaders called for
  - ***Disciplined approach to managing IT services across the enterprise of state government***
  - Use of "Shared Services" (cloud computing)
- VITA – statutory roles:
  - Provisioning statewide IT *infrastructure* for in-scope agencies
  - Perform Central oversight of IT procurement, projects, security, standards, policy and procedures, Wireless E-911, VGIN and contingent labor
- Modernization is a journey
  - Step 1: Creation of VITA & governance framework
  - Step 2: Transformation of infrastructure
  - Step 3: Focus on shared services across enterprise
  - Step 4: Northrop Grumman contract transition





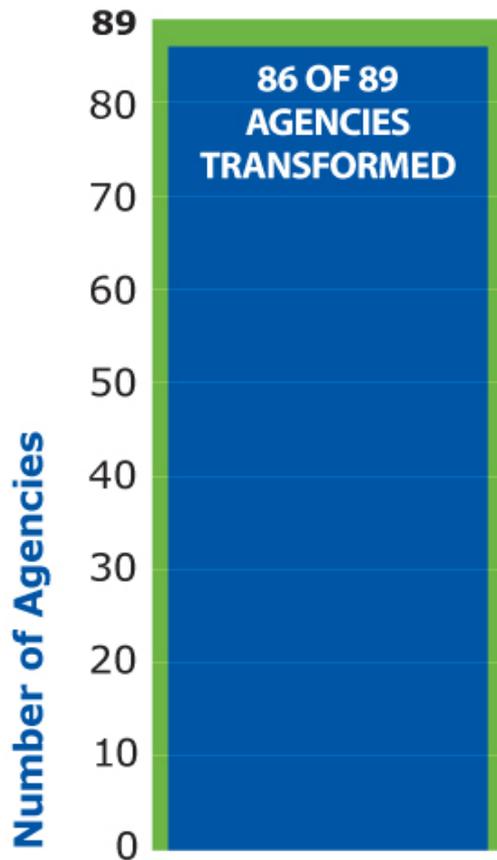
# IT Provided As a Shared Service

People, Process,  
Technology and Leadership





# Transformation Status



- Critical mass: standard, reliable & secure services
- Remaining agencies:
  - VEC
    - ~ 60% transformed
  - VDEM
    - Jointly developing plan
  - VSP
    - Continued uncertainty on status



## VITA: Achieved Major Policy Goals

- Provide standardized infrastructure
  - *Reliable, secure, licensed, maintained*
- Curtail failed IT projects
  - *Consistent project management oversight*
- Enable data sharing across agencies
  - *Data standards & enterprise data services*
- Leverage buying power
  - *Over 100 statewide contracts*
- Enhance IT security
  - *Enterprise infrastructure protections*

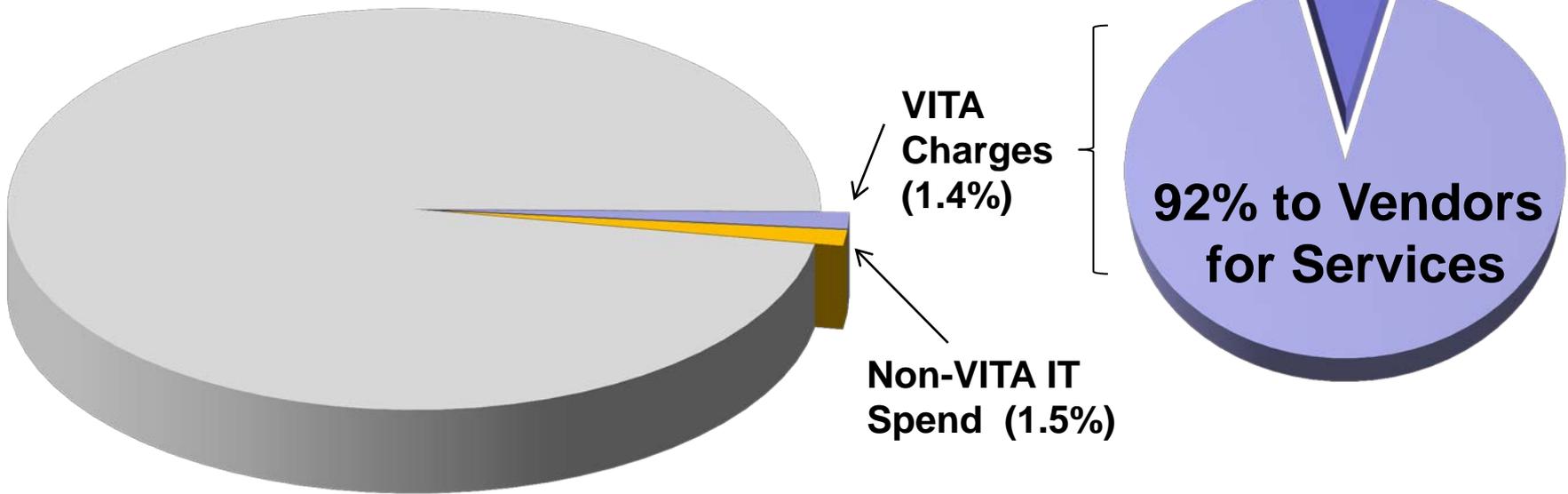


## FY 2014 Accomplishments

- Met all FY 2014 financial targets
  - 4<sup>th</sup> & final payment toward line of credit
  - Rate stability
- Numerous technology upgrades
  - Windows 7 upgrades, ITSM, Disaster Recovery test
- VITA as a Service Organization
  - Functional re-alignment, removed silos
  - VITA Business Process Management Program
  - New Vision, revised Mission
- Transition to new contingent labor contract
  - SWAMs win 60 % of spend
- Received several national and state awards

# All IT Spending Averages < 3% of Budgets

## Total FY 14 Expenditures by *In-Scope* Exec Branch Agencies\*



\* Includes pass-through, excludes higher education

Sources: FY14 total expenditures from Commonwealth Data Point; FY14 Non-VITA spend & VITA charges from APA CARS extract.



## New Agency Savings Opportunities

- **Tier 3 storage** lowers cost for archival data
  - Monthly cost of \$0.61 per GB
  - In contrast, Tier 2 storage is \$1.37 - 2.83 per GB
- **Hosted mail archiving** saves unlimited email for \$5.49/month per employee
- **BYOD** gives employees \$45 monthly stipend to use own device: saves agencies \$55
- **Managed print contracts** let agencies choose among vendors to find best value



## CoVA Business Needs Drive IT Spend

- 149 IT Projects worth \$525 Million (Jul 2014)
  - 61 “major” projects (Total \$468 M)
  - 88 “non-major” projects (Total \$57 M)
- Agencies use 1,907 core business applications to meet business needs
  - 14% (261) need replacement (Ex: state HR system is 35 years old)
  - Significant # of systems contain Sensitive data

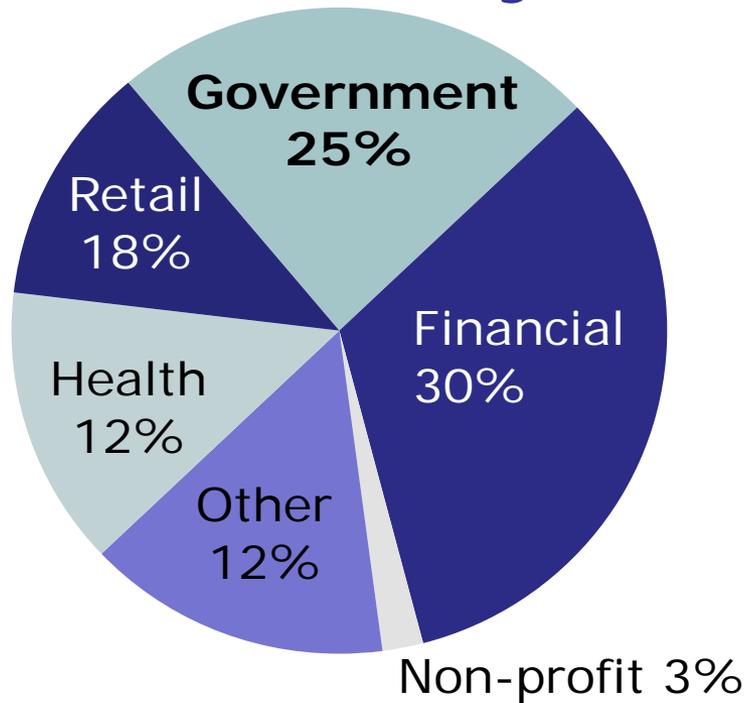


# Examples of Active Major IT Projects

Agency – Project Name	Projected Amount
DSS - Eligibility Modernization, Program Migration	\$119,962,312
DOA - Cardinal Project Part 3 (Rollout)	\$60,000,000
VEC - Unemployment Insurance Modernization	\$58,540,155
DBHDS - Electronic Health Records	\$32,796,815
DSS - Eligibility Modernization, Conversion	\$16,481,824
DMAS – HIPAA Upgrade Code Set (ICD-10)	\$12,730,355
VDOT - Customer Service Center 2.0	\$5,910,333
VSP – Central Criminal History Application	\$4,762,000

# Government Data Breaches & Attacks

## Nationally



Security breaches of over 1 Million records

Source: Privacy Rights Clearinghouse, *A Chronology of Data Breaches*, Aug 2013

## Transformed Agencies (Jan-July 2014)

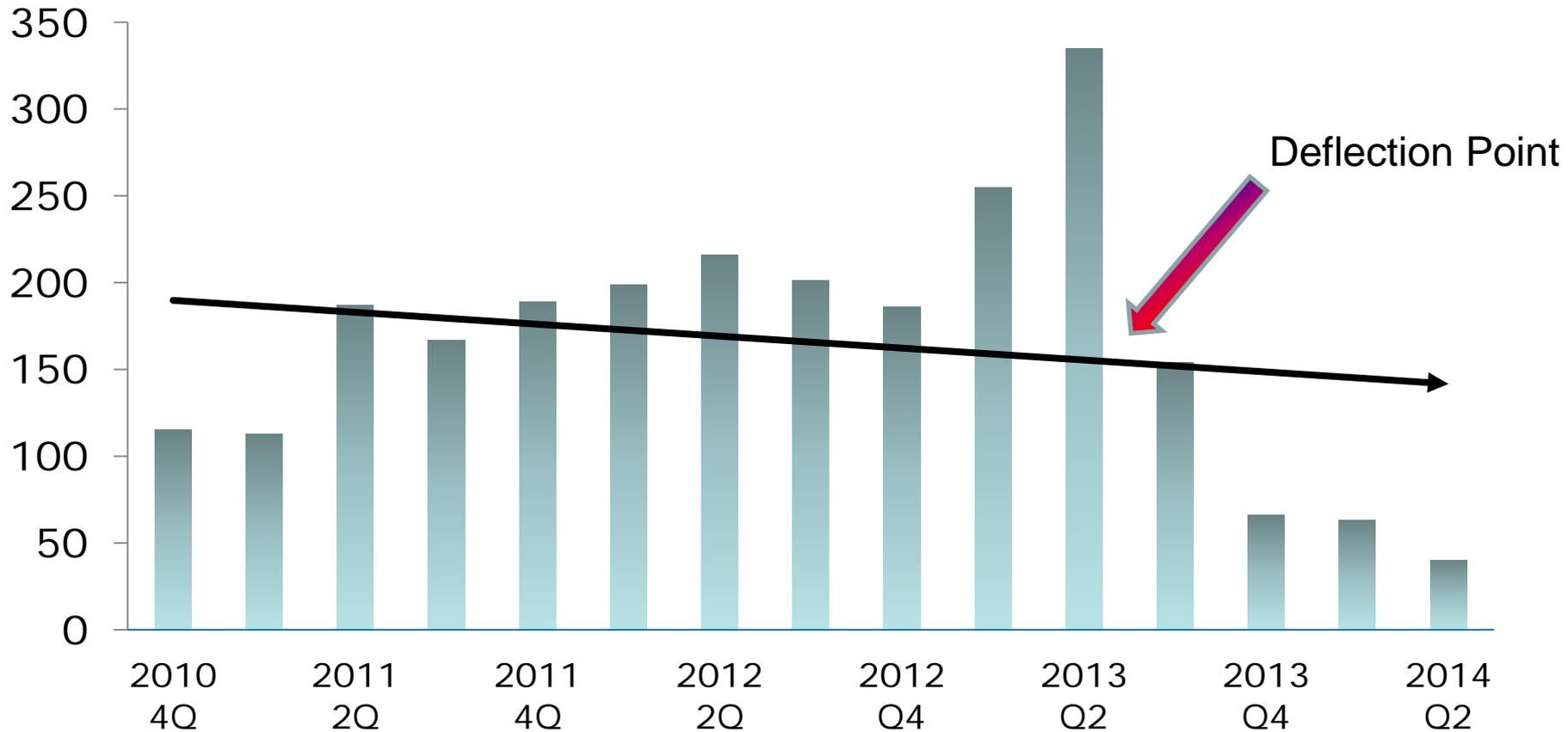
- 22,595,672 attack attempts
  - >106,000 per day
- 271,940,811 spam messages blocked



# Origins of Cyber Attacks on COV (July 2014)



# Security Incidents (2010-2014)





## New Cybersecurity Defenses

- **“Blue Vector” Pilot** uses DOD-grade CDM tool - machine-learning for early warning malware detection (1<sup>st</sup> state)
- **NIST Cyber Security Framework** identifies & communicates cybersecurity risks (1<sup>st</sup> state)
- **Two-factor authentication** limits unauthorized access if user ID & password are compromised
- **Hard drive encryption** protects state data if PC is lost or stolen
- **McAfee Intrusion Protection System (IPS) Dashboard** gives real-time visibility & control over defensive systems across the network

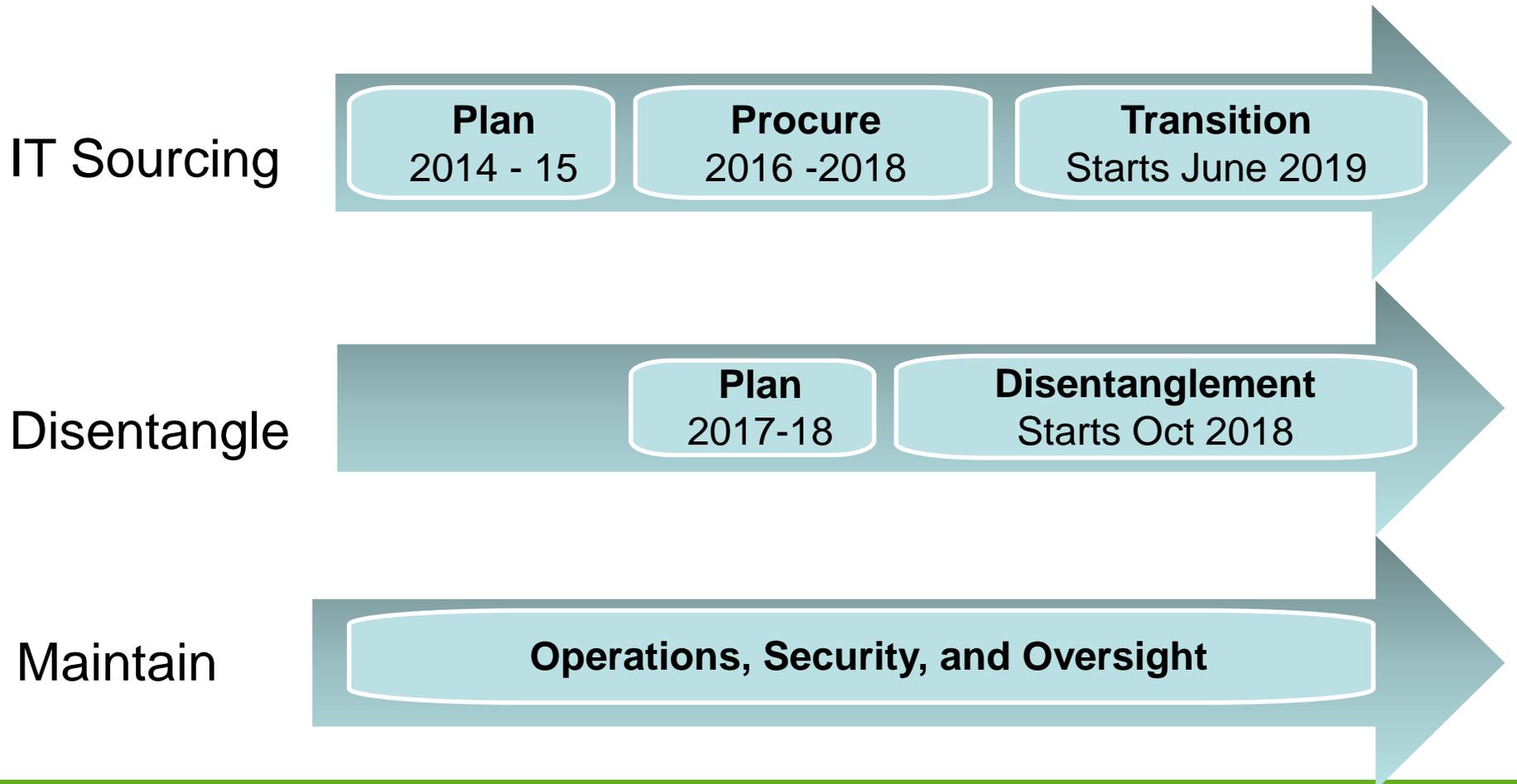


## IT Sourcing

- NG Contract (CIA)
  - 13-year term expires on July 1, 2019
  - Focus since 2005 has been tactical:
    - Finish “transformation” of 89 agencies
    - Improve overall performance
- Feedback from policymakers & customers needed on next steps:
  - In-sourcing, out-sourcing, multi-sourcing?



# Prospective Timelines





## Challenges, Look-ahead

- Staffing (retirements, balancing priorities, daily ops, responding to agency initiatives)
- Aligning business & IT strategy
  - IT Sourcing contract
  - Enterprise Applications
- Evolving & increasing IT security threats
- Third wave of IT: cloud, mobile, social media
- Lingering resistance to shared services approach & oversight
- Aging “legacy” applications



# Questions?

**Samuel A. Nixon Jr.**

[sam.nixon@vita.virginia.gov](mailto:sam.nixon@vita.virginia.gov)

(804) 416-6004