

NEW YORK STATE
DIVISION OF THE BUDGET
ALL FUNDS BUDGET REQUEST FY 2017-2018
STATE OPERATIONS

AGENCY Office of Information Technology Services

Good afternoon Chairwoman Young, Chairman Farrell, and distinguished members of the Legislature.

I am Maggie Miller, the State's Chief Information Officer and Director of Information Technology Services. I'm joined today by Matt Millea, Executive Deputy Director of the Office of Information Technology Services.

The 2017-18 Governor's Executive Budget includes \$582M in General Fund support to enable ITS to continue to provide consolidated statewide Information Technology services. The Executive Budget also includes \$85M in capital funds for IT innovation in enterprise-level applications and programs.

This funding will allow ITS to build on the considerable progress accomplished to date towards ensuring the citizens of New York are provided with the best possible technology in their interactions with state government, making Government work smarter for citizens, spurring economic growth, and making the State more accessible to business.

Every member of the ITS team can be proud of the progress made in our transformational journey. We are conscious of the distance still left to travel before the ITS organization and the services it provides fully meet the standard that the citizens of New York deserve.

Such was the fragility of the environment before consolidation that we've had to focus more and for longer than we'd anticipated on reducing operational and cyber risk rather than creating new functionality. However, let's not ignore what's been achieved. We are already delivering the following:

- Greater operational resilience
- Environment hardened against cyber attack
- Very significant savings
- Key initiatives applying our strategy of 'build once, re-use often' that delivers better new services faster and cheaper.

Our ITS team comprises some of the most talented and committed individuals it's been my privilege to work with. New York State can be very proud of them and their achievements. We are grateful for the continued support of the Governor, and our agency partners.

The transformation of ITS is without precedent in terms of ambition and scale and is taking place in the face of unusual challenges, including the extent of technology debt that has resulted from long-term under-investment, and fiscal and practical constraints.

We are aggressively driving complexity from the environment of the agencies ITS serves to reduce risk, improve the quality of our services, provide the best career opportunities to ITS team members and free up resources to invest in innovative new services to citizens.

We make multi-year plans based on the best information available at the time while continuously modifying these plans as the needs of citizens and agencies evolve, and as circumstances demand. The Office of Information Technology Services (ITS) Executive Budget request for State Fiscal Year 2017-2018 reflects these goals and constraints.

ITS strategic priorities

In FY2016/17 ITS determined key areas of strategic focus. These remain our strategic priorities for the 17/18 financial year.

Risk Management

There is no higher priority for ITS than protecting citizen data against cyber-attack. We have adopted the industry standards NIST 800.53 (Security and privacy controls for Federal Information Systems and Organizations) and ITIL frameworks and are aggressively driving towards compliance, working closely with our partners in DHSES and State Police as well as the FBI and Federal Dept. of Homeland Security.

Among our initiatives to improve cyber security are the following.

- Remediation of critical applications to achieve the required level of cyber protection.
- Implementation of a vulnerability scanning architecture and support organization to ensure devices located at CNSE are maintained to industry security controls.
- Real-time network monitoring against Threats in both the CNSE and Utica Datacenters.

- Passive email phishing and malicious URL/payload protection.
- Real-time network packet capture and Incident Response support for Network Threats discovered.
- Threat correlation across multiple vectors and consolidated management of threat intelligence.

Run and build new services

Running existing services and building new ones as cost effectively as possible while managing our financial resources in accordance with best practice is the core of what ITS does. These outcomes are those most visible to our agency partners and citizens. The remaining strategic priorities are those areas we must focus on in order to transform the way ITS delivers services to agencies and citizens.

Operational Excellence

New York citizens expect IT enabled services to be reliable, secure and available 24x7. We have a major focus on overcoming decades of under-investment in infrastructure, processes and skills to achieve operational excellence by remediating the technology debt, driving out complexity, accelerating the consolidation of legacy data centers and significantly upgrading our level of operational maturity while further driving down costs.

Transform Applications

ITS continues to transform applications by delivering integrated IT services from the citizen viewpoint. These services will mirror the best of the commercial world in functionality, availability, reliability, usability and security.

Wherever possible we will build capabilities once and use in multiple places to deliver a seamless citizen experience and best value, securely and reliably. We are achieving this by identifying opportunities for sharing technology solutions across agencies with similar needs. Technologies procured and stood up with a ready-trained state workforce are being leveraged by multiple initiatives.

Organizational Effectiveness

ITS has the capacity to help transform how cost effective services are delivered to the citizens of New York State. To achieve this, we must have the right resources, the right skills and the right organization.

We plan to become a national leader in building the IT workforce of the future by partnering with academic institutions and technology industry leaders to develop the workforce needed to grow the technology sector in NY State.

We are re-engineering the ITS organization, offering exciting career opportunities. We have much to do to ensure that each member of the team has the opportunity to reach his or her potential and make the greatest possible contribution to our transformation program. We are ensuring our training and development plans are closely aligned with our transformation strategy and that each team member has the skills needed to be effective and to progress in his or her career. In 2016 alone, ITS provided more than 6,800 training courses to our staff.

However, expertise requires both training and experience. We face a significant loss of experience with 35% of our staff eligible to retire in the next 5 years, and 15% eligible today. As the vast majority of IT staff in the state are already part of ITS, the only way to replace the headcount lost from retirements is with entry level staff with very limited experience. This results in a high reliance on expensive consultants to meet the experience deficit.

For these reasons, we are requesting your support for the Governor's Executive Budget proposal that allows us to hire a number of these consultants into the PEF-represented state workforce in term roles. On passing the civil service exams, these individuals would then be able to apply for permanent positions in competition with existing ITS staff. Again, I ask for your support for this important legislation.

Thank you for the opportunity to speak today and share our plans. I welcome your questions and comments.