State of California

Department of Technology

Information Technology

Cost Report

Instructions

Statewide Information Management Manual
Section 55 A

November 2020
## REVISION HISTORY

<table>
<thead>
<tr>
<th>REVISION</th>
<th>DATE OF RELEASE</th>
<th>OWNER</th>
<th>SUMMARY OF CHANGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Release</td>
<td>November 2012</td>
<td>California Department of Technology (CDT)</td>
<td>New</td>
</tr>
<tr>
<td>Minor Update</td>
<td>January 2017</td>
<td>CDT</td>
<td>Update Cost Report Template; Provide Instructions</td>
</tr>
<tr>
<td>Major Update</td>
<td>January 2018</td>
<td>CDT</td>
<td>Provide Cost Reporting Worksheets with Instructions</td>
</tr>
<tr>
<td>Minor Update</td>
<td>December 2018</td>
<td>CDT</td>
<td>Update hyperlinks</td>
</tr>
<tr>
<td>Minor Update</td>
<td>November 2019</td>
<td>CDT</td>
<td>Update Cost Report Template and Instructions</td>
</tr>
<tr>
<td>Minor Update</td>
<td>January 2020</td>
<td>CDT</td>
<td>Update to Instructions and Cost Report Template</td>
</tr>
<tr>
<td>Minor Update</td>
<td>November 2020</td>
<td>CDT</td>
<td>Update to Instructions, FAQs, and Cost Report Template</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

I. OVERVIEW ........................................................................................................................................... 1

II. DEFINITIONS ....................................................................................................................................... 1
   A. IT COST DEFINITION ......................................................................................................................... 1
      1. Information Technology .................................................................................................................. 1
   B. GENERAL CATEGORY DEFINITIONS ............................................................................................... 1
      1. New .................................................................................................................................................. 1
      2. Renewal/Maintenance ...................................................................................................................... 1

III. GENERAL INSTRUCTIONS ............................................................................................................. 1
   A. IT COST REPORT WORKSHEET INSTRUCTIONS ........................................................................ 1
   B. IT COST REPORT WORKSHEET CLARIFICATIONS (TABS 5 AND 6) ........................................... 3
   C. IT COST REPORT DEFINITIONS (TABS 5 AND 6 – GENERAL IT) .............................................. 4
      1. Software .......................................................................................................................................... 4
      2. Hardware ....................................................................................................................................... 4
      3. IT Services/Consulting ................................................................................................................... 4
      4. Network ......................................................................................................................................... 4
      5. Telecommunications ..................................................................................................................... 5
      6. Cloud Services (IaaS, PaaS, SaaS) ............................................................................................... 5
      7. Personnel Years ............................................................................................................................. 5
      8. Mobile Phones ............................................................................................................................... 5

IV. FORM SUBMISSION ........................................................................................................................... 6
I. OVERVIEW

Each year as instructed by the California Department of Technology (CDT), each Agency/state entity must summarize its actual and projected information technology (IT) costs in a format defined by the CDT (see Government Code Section 11546.2 and the State Administrative Manual (SAM) Section 4903.2). IT costs of the Agency/state entity are to be summarized in the IT Cost Report (ITCR) workbook (SIMM 55B) and submitted to the CDT annually by February 1, of each year.

Additionally, Government Code Section 11546.2 was amended (Assembly Bill 2623, Gordon; Ch. 389, Stats 2016) to direct each Agency/state entity to submit a summary of its actual and projected information security spend. SIMM 55B contains worksheets to capture IT security costs.

The IT Cost Report data is leveraged to inform CDT on how much the state spends on IT and IT security in order to provide proper oversight in the management of the state’s valuable IT resources and information assets. Understanding the state’s spending patterns helps CDT identify where departments might be overspending, where additional resources may be needed, and how our investment as a state compares to large companies or other states.

Note: Child entities that submit IT costs under a parent entity do not need to submit a separate IT Cost Report. In lieu of submitting an ITCR, the child entity must send an email to ITpolicy@state.ca.gov to notify CDT which parent entity supports their IT costs.

II. DEFINITIONS

Report the requested information according to the definitions below:

A. IT COST DEFINITION

1. Information Technology: Includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, and networking and telecommunications. IT Cost Report information includes project spending. IT Cost Report information also includes any technology costs associated with providing services, whether or not they are incurred by the IT organization within the Agency/state entity.

B. GENERAL CATEGORY DEFINITIONS

1. New: The purchase of a new goods or services in the fiscal year reported. This would include the first year of a multi-year lease that includes maintenance, refresh and upgrades.

2. Renewal/Maintenance: Continuing payment on an existing goods or services (i.e. contract) in the fiscal year reported. This would include the second year and thereafter of a multi-year lease that includes maintenance.

III. GENERAL INSTRUCTIONS

The ITCR workbook includes seven (7) tabs. The tabs have been reordered to progress from the most detailed (tabs 1-2; tabs 3-4) to the least detailed spend (tabs 5 and 6).

A. IT COST REPORT WORKSHEET INSTRUCTIONS

1. Tab 1 - “1. IT Sec Spend Alloc FY 19-20” worksheet.
   • Add security spend line item detail (Data Source File Name, Funding Source, Best Available Description Detail and Sub-Detail, and FY Actuals $ Year Total) - Column A
through Column E, starting on Row A29.

- A4 through A17, enter each unique name of the data sources used. This will summarize line item costs per each source. Some agencies may require multiple sources (reports) to represent total security spend.

- Allocate 100% of each line item across the IT Security Domain area categories in the beige-shaded cells only. Column G through Column N, starting on Row G29.

- Allocate 100% of each line item across the cost categories in the beige-shaded cells only. Column S through Column Y, starting on Row S29.

Data detail:

- **Data Source File Name** (Column starting at A29): Enter each unique name of the data sources used. This will summarize line item costs per each source. Some agencies may require multiple sources (reports) to represent total security spend.

- **Funding Source** (Column starting at B29): Select Budget or Grant from drop-down to describe the line item funding source.

- **Best Available Description Detail (Optional)** (Column starting at C29): Enter/Paste best available line item detail from data source for reference, allocation and validation purposes with IT security leadership.

- **Best Available Description Sub-Detail (Optional)** (Column starting at D29): Enter/Paste best available line item sub-detail from data source for reference, allocation and validation purposes with IT security leadership.

- **FY Actuals $ Year Total** (Column starting at E29): Enter/Paste actual line item cost from data source for reference, allocation and validation purposes with IT security leadership.

2. **Tab 2** - “2. IT Sec Spend Sum FY 19-20” worksheet. Do not enter data as it auto-populates data from the “1. IT Sec Spend Alloc FY 19-20” worksheet.

3. **Tab 3** - “3. IT Sec Spend Alloc FY 20-21” worksheet where data is entered

   - Add security spend line item detail (Data Source File Name, Funding Source, Best Available Description Detail and Sub-Detail, and FY Actuals $ Year Total) - Column A through Column E, starting on Row A29.

   - Allocate 100% of each line item across the IT Security Domain area categories in the beige-shaded cells only. Column G through Column N, starting on Row G29.

   - Allocate 100% of each line item across the cost categories in the beige-shaded cells only. Column S through Column AA, starting on Row S29.

4. **Tab 4** - “4. IT Sec Spend Sum FY 20-21” worksheet. Do not enter data as it auto-populates data from the “3. IT Sec Spend Alloc FY 20-21” worksheet.

5. **Tab 5** - “5. ITCR FYs 2019-21” worksheet where cost information data for both fiscal years (2019-2020 and 2020-2021) is entered across each line item and cost categories (blue cells – general IT; orange cells – security IT). Do not enter data in the “Total” fields (Columns F and L) as they are automatically calculated. A new category was added this year “Cloud Services”. All cloud services spend should be reported in this category and no longer reported as a subset of another category as in previous years.
6. **Tab 6 - “6. Top 5 Vendors” worksheet.** Please list department’s top 5 vendors by IT spend for Software, Cloud Services (Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS)), and IT Services/Consulting for FY 2019-20 and FY 2020-21.

**Data detail:**
The categories in tab 6 correlate to tab 5 as follows:

- **Software** Based on the totals from tab 5’s “1. Software” (Row 11), please list your top 5 vendors.
- **Cloud Services (SaaS, IaaS, PaaS)** Based on the totals from tab 5’s “6. Cloud Services” (Row 29), please list your top 5 vendors.
- **IT Services/Consulting** Based on the totals from tab 5’s “3. IT Services/Consulting” (Row 17), please list your top 5 vendors.

**FY 2019-2020 – Actual**

- **Service/Product Name** (rows starting at B9): Enter service/product name for each line item based on the IT spend from highest to lowest. **Note:** It is not necessary to list specific products (i.e. List Microsoft (MS) as the service/product name and not MS Teams, MS Project, etc.).

- **Supplier/Reseller Name** (rows starting at C9): Enter supplier/reseller name for each line item.

- **New** (rows starting at D9): Enter new IT spend in thousands for respective categories.

- **Renewal/Maintenance** (rows starting at E9): Enter renewal/maintenance IT spend in thousands for respective categories.

- **Total** (rows starting at G9): Do not enter data as it will auto populate based on the data entered in **New** and **Renewal/Maintenance** columns. **Note:** The totals on tab 6 are only your top 5 vendors so the tab 6 totals will not equal the totals on tab 5.

**FY 2019-2020 – Estimated**

Follow the guidance provided for the fields under “FY 2019-2020 – Actual”. However, the Supplier/Reseller column is missing as you may not know who the projected reseller will be on the anticipated spend.

7. **Tab 7 – “7. IT Security Spend Glossary” worksheet** provides information relevant for all tabs.

**B. IT COST REPORT WORKSHEET CLARIFICATIONS (TABS 5 AND 6)**

1. Report data for two fiscal years, consisting of the Past-Year Actual, and Current-Year Estimated.

2. Round costs to the nearest $100 and **report costs in $1,000 increments**. For example, $49,325 should be reported as $49.3.

3. Round personnel years (PYs) to the nearest one-tenth full-time equivalent (FTE).

4. Report the budgeted amount for personnel costs. State personnel costs shall include salary, salary-driven benefits and non-salary-driven benefits.

5. IT security costs are a subset of the overall category spend. For example, if $100 is...
reported in “1. Software” and $5 is reported in cell D12. Total Software Costs from Tab “2. IT Sec Spend Sum FY 19-20” worksheet, the total for this category is $100. The $100 figure includes IT security costs, the total should NOT equal $105.

6. Use the separate Comments field on tab “5. ITCR FYs 2019-21” worksheet, (line 43) to clarify any of the figures, for example if it is important to note specific assumptions used in a particular cost category. Comments are optional. However, if comments are provided, please indicate which cost item(s) are being referenced.

7. Federal Grant Funds - For all of individual data items on the “2. IT Sec Spend Sum FY 19-20” and “4. IT Sec Spend Sum FY 20-21” worksheets, identify in column K any spend that are from Federal Grant Funds.

C. IT COST REPORT DEFINITIONS (TABS 5 AND 6 – GENERAL IT)

The following should be referenced to assist the user in completing the individual data items on the IT Cost Report worksheet.

Note: The item numbers below correspond with item numbers on the worksheets.

1. Software

Report costs associated with computer software that operates on all types of hardware. This includes new software, maintenance, support, rental/lease and subscription services for software hosted on-prem/on-site. Types of software that need to be reported include, but are not limited to: Operating Systems, Productivity Suites, Database, Website Development, Email/Electronic Messaging, Security, Application Development Tools, Middleware, GIS. Software as a Service (SaaS) should be reported under the “Cloud Services” line item of the IT Cost Report.

2. Hardware

Report costs associated with computer hardware and components. This includes new hardware, maintenance, support or repair. The types of hardware that need to be reported include, but are not limited to the following: Personal Computer (PC) Desktops, Laptops, and Printer/Scanner/Multi-Function devices, Servers, Storage, Wireless Hot Spots and Jetpacks. Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) should be reported under the “Cloud Services” line item of the IT Cost Report.

3. IT Services/Consulting

Report costs for IT contract services where there is a need for additional knowledge or resources and also includes commercial contracts and independent assessments. Costs should include all External, Internal, and Office of Technology Services (OTech) Data Center services that are not Cloud-based. Cloud services (IaaS, PaaS, and SaaS) should be reported under the “Cloud Services” line item of the IT Cost Report. This includes Cloud services obtained from OTech.

4. Network

Report costs associated with wiring, cabling, equipment, and communication network lines to provide video and data connectivity services across local and large geographical areas. This includes new, maintenance, support, repair, rentals and/or leases for network connectivity. The types of network that need to be reported include, but are not limited to the following: Network Equipment, Wireless Network Equipment, Switches/Routers, Point-to-Point Data Circuit, etc.
5. **Telecommunications**

Report costs associated with operating telephone systems within State buildings and offices. This includes new, maintenance, repair and rental fees for telecommunication services. The types of telecommunications that need to be reported include, but are not limited to the following: Telephone Equipment, Devices, Services, 2-way devices, Public Address Systems, Closed Circuit Television, etc. Although mobile phone devices are generally included under Telecommunications, for the IT Cost Report they should be reported under the “Mobile Phones” line item of the IT Cost Report.

**Note:** Wireless Hot Spots and Jetpacks should be reported under the “Hardware” line item of the IT Cost Report.

6. **Cloud Services (IaaS, PaaS, SaaS)**

Report the cost of shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) where the cost is pay-for-use basis or as a subscription.

7. **Personnel Years**

Report the budgeted personnel years number and cost for each fiscal year.

8. **Mobile Phones**

Report the total number and costs associated with mobile phones. A mobile phone (includes both cell phones and smartphones) is a device that can make and receive telephone calls over a cellular network. Mobile phones include smartphone devices which are computing devices that provide advanced computing capability and connectivity, and runs a complete operating system and platform for application developers and users to install and run more advanced applications. Smartphones currently include, but are not limited to models using the Android, iOS, Blackberry OS, and Windows Phone operating systems.

Departments should report the total number and costs associated with mobile phones and all costs associated to mobile phones and their respective, data internet and other usage plans. Only mobile phone purchases that access the cellular network for voice and data and comply with the definition of a mobile phone should be added to this line item. Mobile computing devices with the capability to connect to a cellular network, such as Wireless Hot Spots and Jetpacks should be reported under the “Hardware” line item of the IT Cost Report.
IV. FORM SUBMISSION

The IT Cost Report must be attached to a transmittal document (see SIMM 55C) and MUST be signed by the following (digital signatures are acceptable):

1. The Agency/state entity Chief Information Officer (CIO);
2. The Agency/state entity Budget Officer;
3. The Agency/state entity Director; and
4. The Agency Information Officer (AIO) or designee.

The Information Technology Cost Report Template shall be submitted electronically in an Excel workbook file (2003 or later) with the signed transmittal letter (as a scanned PDF). Please use the following naming convention in saving the file:
Org Code_Department Acronym_ITCostReport_FY20xx-xx (e.g. 8860_DOF_ITCostReport_FY20xx-xx.xls).

Information contained in the IT security components of the IT Cost Report (SIMM 55) are confidential. Once signed, securely send the entire form and any attachments to the Office of Information Security (OIS) using the Secure Automated File Exchange (SAFE) system. If your entity is in need of SAFE accounts, please have your entity’s designated Chief Information Officer (CIO) or Information Security Officer (ISO) complete and return the SAFE System Designee Request spreadsheet and return to our office at security@state.ca.gov.

Questions related to the transmittal requirements should be directed to OIS at security@state.ca.gov.