CIO Addendum: IT Consolidation One Pager
FY2023-24 Q3 (January 1 – March 31, 2024)

Key Expected Benefits

ENHANCED SECURITY POSTURE

Consolidation allows for better monitoring and management of security protocols.

Consolidating security functions ensures consistent implementation of security policies across all agencies, reducing vulnerabilities and improving incident response times.

OPTIMIZED SERVICE DELIVERY

Consolidated IT services facilitate the standardization of processes and tools, leading to more reliable, consistent, and efficient service delivery.

Consolidation provides a standardized approach to managing and allocating resources to business-aligned IT objectives.

SOLVING IT STAFFING CHALLENGES

Consolidation allows states to better manage IT staffing by reallocating resources where they are needed most.

By consolidating IT functions, we will create specialized teams that leverage the best IT talent, improving support for critical enterprise systems and infrastructure.

Expected Cost Savings and Efficiencies

Economies of Scale: *Colorado* projected savings of $250 million annually by reducing duplicative IT expenditures. *Oklahoma* estimated $283 million reduced spending and projected savings due to IT consolidation.

SITSD expects to see a reduction in duplication, resulting in lower response and resolution times.

Budget Reduction: *Louisiana* saved approximately $75 million in the first year of IT consolidation efforts, with $20 million saved in the general fund. In *Utah*, Ernst & Young calculated a $200 million savings due to IT consolidation.

SITSD expects to see cost savings by right-sizing resource and license supply and demand.

Optimized Resource Utilization: *North Dakota* avoided additional staffing costs and improved efficiency across smaller agencies through desktop consolidation. Both *Utah* and *North Dakota*'s hybrid support model demonstrated that shared staffing enables a state to stop continually adding IT FTE to meet the ever-changing technology landscape.

SITSD expects to see a reduction in duplication across systems, tools, and processes.