



State of North Carolina

Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

September 29, 2006

MEMORANDUM

TO: The Honorable Michael F. Easley, Governor
The Honorable Marc Basnight, Senate President Pro Tempore
The Honorable James B. Black, Speaker of the House of Representatives

FROM: Robert L. Powell
State Controller

SUBJECT: Annual Information Technology Expenditures Report Transmittal

To fulfill the reporting requirements of G.S. 147-33.87, the Office of the State Controller has prepared the Information Technology Expenditures Report which outlines the total information technology expenditures within the State. This annual report covers the period July 2005 through June 2006 and is available through the OSC web site at http://www.ncosc.net/financial/ITReport_06302006.pdf.

This report shows total information technology (IT) expenditures, excluding the Office of Information Technology Services, of \$940,796,365 for the fiscal year ending June 30, 2006. This is an increase of \$46 million or 5.10% as compared to the June 30, 2005 report. For the Office of Information Technology Services, total IT expenditures were \$130,637,426. This is a decrease of \$4.2 million or 3.15% as compared to the June 30, 2005.

For the first time this year project/system specific financial costs are presented using data input into the Project Portfolio Management and Application Portfolio Management tools which are administered by the North Carolina Office of Information Technology Services (ITS). Project/system costs as reported for agencies subject to G.S. 147-33.87 (excluding ITS) for the June 30, 2005 report were \$156,519,508 and represented 31.70% of total IT expenditures. For the June 30, 2006 report this total is \$345,695,102 and represents 66.93% of total IT expenditures. This 35% increase in reporting is due to the more comprehensive data available in the new tool.

The next report to be published will be for the period from July 1, 2006 through June 30, 2007. For additional information about this report, please contact the Office of the State Controller.

cc: David McCoy, State Budget Officer
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