



State of North Carolina  
Office of the State Controller

Michael F. Easley, Governor

David McCoy, State Controller

October 1, 2008

**MEMORANDUM**

**TO:** The Honorable Michael F. Easley, Governor  
The Honorable Marc Basnight, Senate President Pro Tempore  
The Honorable Joe Hackney, Speaker of the House of Representatives

**FROM:** David McCoy, State Controller *David McCoy*  
Charlie Perusse, State Budget Officer *Charlie G. Perusse*  
George Bakolia, State Chief Information Officer *GB*

**SUBJECT:** Annual Information Technology Expenditures Report Transmittal

To fulfill the reporting requirements of G.S. 147-33.87, the Office of the State Controller, Office of Information Technology Services and Office of State Budget and Management have prepared the Information Technology Expenditures Report which outlines the total information technology expenditures within the State. This annual report covers the period July 2007 through June 2008 and is available through the OSC web site at [http://www.ncosc.net/financial/ITReport\\_06302008.pdf](http://www.ncosc.net/financial/ITReport_06302008.pdf).

This report shows total information technology (IT) expenditures, excluding the Office of Information Technology Services, of \$1,124,748,807 for the fiscal year ending June 30, 2008. This is an increase of \$107 million or 10.46% as compared to June 30, 2007. For the Office of Information Technology Services, total IT expenditures were \$197,591,496. This is an increase of \$42 million or 27% as compared to June 30, 2007. Payments for the E-Procurement system were not previously included as an IT expenditure and account for \$20 million of the increase.

Project/Application specific financial costs are again presented using data input into the IT Portfolio Management System administered by the Office of Information Technology Services (ITS). Project/Application costs as reported for agencies subject to G.S. 147-33.87 (excluding ITS) for June 30, 2007 were \$366,506,720 and represented 67.42% of total IT expenditures (excluding Administrative Office of the Courts, the NC Education Lottery, the UNC System and ITS). For June 30, 2008 this total is \$391,696,695 and represents 68.62% of total IT expenditures. This is an increase of \$25.2 million or 6.87% as compared to June 30, 2007.

Please contact the Office of the State Controller for additional information about this report.

cc: Chief Executive Officers  
Chief Fiscal Officers  
Chief Information Officers  
Legislative Fiscal Research