

Testimony of Anne Roest
Commissioner, New York City Department of Information Technology &
Telecommunications before the New York City Council Committees on
Finance, Technology and Land Use concerning the FY 2018 Executive Budget
Thursday, May 18, 2017

Good afternoon Chair Ferreras-Copeland, Chair Greenfield, Chair Vacca, and members of the New York City Council Committees on Finance, Land Use, and Technology. My name is Anne Roest and I am the Commissioner of the Department of Information Technology and Telecommunications (DoITT), and New York City's Chief Information Officer. Thank you for the opportunity to testify today about DoITT's Fiscal 2018 Executive Budget. With me are Annette Heintz, Deputy Commissioner for Financial Management and Administration; John Winker, our Associate Commissioner for Financial Services; and Michael Pastor, our General Counsel.

Budget Overview

DoITT's Fiscal 2018 Executive Budget provides for operating expenses of approximately \$621.7 million; allocating \$150.7 million in Personal Services to support 1,768 full-time positions; and \$471 million for Other than Personal Services (OTPS). This includes \$135 million in Intra-City funds transferred from other agencies for services provided, representing approximately 22% of our total budget allocation. Telecommunications costs represent the largest portion of this Intra-City expense, which is projected at \$109 million for Fiscal 2017.

I am proud to share that we identified efficiencies for Fiscal 2018. DoITT found \$6.7 million in savings and reductions through measures such as license cancellations across various hardware platforms. DoITT also received additional funding in both Fiscal Years 2017 and 2018 that is designated specifically for citywide IT projects which fall under our administrative or technical oversight responsibilities. For Fiscal 2017, the budget appropriation increased by \$4.8 million from the Fiscal 2018 Preliminary Budget for the Citywide Procurement Innovation (CPI) project, and forfeiture grant funding for the Cybersecurity program.

DoITT's Fiscal 2018 budget appropriation also increased by \$18.6 million from the Preliminary Budget. The net increase represents additional grant funding received for Housing Recovery Office (HRO) and tax levy funding for CPI to fund IT-related procurements that DoITT manages. Additionally, these additional funds are the result of the rollover of one-time funding from FY17 for programs including Broadband deployment and SESIS project management. The funding reflects DoITT's mission: to help our partner agencies secure the right technological solutions for the critical programs they enact—programs that make this the greatest city in the world in which to live, work, and play.

NYCWiN and Insourcing: Finding Meaningful Savings

While we've identified a significant amount of savings for FY18, DoITT always has an eye towards future savings in out years. As we detailed in our Preliminary Budget testimony, we've developed a 30-head "insource pool," a roving team of DoITT tech experts who serve in roles traditionally filled by outside consultants. To date, 21 team members have been hired and have already worked on multiple projects, saving \$2 million that otherwise would have been spent on third parties. Three more people are in the process of joining the insource team, and we will continue to look for more ways to make consultant conversions.

In future fiscal years, there will also be tens of millions in annual savings through the decommissioning of the New York City Wireless Network (NYCWiN). NYCWiN is our government-dedicated broadband wireless infrastructure, which was created to support essential City operations. As you know, we've been trying to find savings for NYCWiN since I became Commissioner, which costs the City over \$40 million a year in operations and maintenance costs. To that end, DoITT released an RFI to gather ideas on ways to more efficiently use the network, but none of the responses offered a cost-effective solution. At this point, NYCWiN will only get *more* expensive, requiring hundreds of millions in upgrades in the near future simply to maintain the existing network. Therefore, as a matter of financial prudence we have decided to transition agencies from NYCWiN to commercial carriers. This should reduce the cost to less than \$10 million a year, saving the City more than \$30 million annually in future fiscal years. We are actively working with all agencies to ensure a smooth and seamless transition.

LinkNYC: An Innovative Source of Revenue

In addition to a strong savings program, we have a novel and lucrative revenue-generating program in place: LinkNYC, a key piece of the Mayor's goal to bring affordable, reliable, high-speed broadband to New York City's residents and businesses by 2025. LinkNYC is our franchise to replace the City's outdated payphone infrastructure with free gigabit speed Wi-Fi kiosks, guaranteeing \$500 million in ad revenue for the City over the first 12 years that LinkNYC is in operation, with a guaranteed minimum of 50% of gross advertising revenue each year— at *no cost to taxpayers*. In FY18, we project \$25 million in revenue. With nearly 800 active kiosks across all five boroughs, we expect the continued success of this unprecedented project.

Ensuring Citywide Safety and Security: ECTP and Cybersecurity

Before concluding, I'd like to highlight two critical citywide initiatives in DoITT's purview that help ensure the safety and security of New Yorkers.

First, the Emergency Communications Transformation Program (ECTP), which is the City's project to modernize and consolidate the City's 911 emergency communication system – the most complex system of its kind. Under DoITT's management, ECTP is on time and on budget. We are particularly proud of the progress at Public Safety Answering Center (PSAC 2), located in the Bronx. In 2014, after years of delays, Mayor de Blasio directed DoITT to take over project management, and put PSAC 2 back on track. When NYPD took its first call last June, the City took a huge step toward implementing a fully resilient 911 system. We'll continue to invest in the City's 911 system in collaboration with NYPD and FDNY to ensure the continued efficiency of emergency and public safety services throughout the City.

Second, I'd like to highlight a particularly topical unit within DoITT: our excellent Citywide Cybersecurity team. Our cyber team leads the effort to protect the City's systems and assets from ever-evolving cyber threats. This administration has made a tremendous commitment to fortify the cybersecurity team in recent years, with a significant increase in investment for enhanced technology to stay ahead of these

threats, and the addition of a Citywide Chief Information Security Officer to spearhead proactive and progressive risk-management strategies. These critical investments have put the City in a better position than we've ever been on that front. This was exemplified during the recent ransomware attacks experienced around the globe, when our agile and aggressive team swiftly acted to appropriately harden our City's digital defenses. However, no matter what is going on in the rest of the world, this team works to defend our data and infrastructure, 24/7.

I appreciate the opportunity to discuss DoITT's 2018 Executive budget. This concludes my prepared testimony, and I will now gladly address any questions. Thank you.

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