Legislative Fiscal Bureau
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May 30, 2007 | Joint Committee on Finance | Paper #117

Funding for Data Center (DOA -- Information Technology)

Base Section

[LFB 2007-09 Budget Summary: Page 33, #2 (part)]

CURRENT LAW

Base funding under the Department of Administration's Division of Enterprise Technology (DET) appropriation for printing, mail processing, communications and information technology for state agencies is $104,9614,900 PR and 224.05 PR positions annually. Base funding under DET's communications and information technology for non-state agencies appropriation is $16,008,700 PR annually.

The Department of Administration (DOA) is authorized to implement a state government-wide reporting, data warehousing and data analysis system applicable to all executive branch agencies, except certain authorities.

Currently, agencies can expend more than is received in revenue for certain appropriations (termed "forestalling" appropriations) where significant capital products are purchased. The total amount of liability created under these forestalling appropriations cannot exceed the total amount appropriated plus the depreciated value of the equipment purchased.

GOVERNOR

Provide $2,458,000 PR in 2007-08 and $2,352,800 PR in 2008-09 for space rental costs, maintenance, fuel and utilities, taxes and fiber optics for the new data center in Madison.

In addition, allow the Department to expend monies in excess of the amounts appropriated under an annually appropriated program revenue account for printing, mail, communication and information technology services for agencies if the depreciated value of equipment purchased is at least equal to the excess expenditures.

DISCUSSION POINTS

1. In August, 2005, the Building Commission approved the lease of 56,889 square feet of privately owned space for a data center that would act the primary electronic data storage facility for state agencies. The facility includes 26,155 square feet of office space and 30,734 square feet of production space. The Department entered into a 17-year lease with Lokre Development to lease the facility located on Femrite Drive in Madison.

2. As part of the Building Commission's review of the data center lease, the Department presented the following justification for the data center: (a) the center would increase the availability and recoverability of state computer services and systems; (b) having the facility outside of a mixed-use agency building would provide greater security for information technology (IT) systems; (c) the old facility did not have expansion space, especially for server consolidation; (d) the center would allow the agency to have a redundant system to help avoid computer down time and eventually allow the state to discontinue the use of a disaster recovery service; (e) the new location would allow maintenance on the system infrastructure without outages to the computer equipment; and (f) the facility would be used for Continuity of Operations Plan and Continuity of Government initiatives that are part of the National Incident Management System, which require the state to have the capability to operate vital programs in the event of a disaster.

3. It is estimated that approximately 50% of the production space and 46% of the office space of the data center will be used for consolidated servers. A server is a computer system (either hardware and software, or simply software) in a network that is shared by multiple users. Servers may vary in size and serve specialized functions (for example, email, internet, modems, printing, geographic information systems, or network access). In larger organizations, servers generally are stand-alone computers.

4. The following table shows the increased costs provided under the bill for the data center as compared to current funding provided for 16,000 square feet of space at the state-owned 101 East Wilson facility.

Data Center Costs

Space Rent	2006-07	2007-08
Lokre Development (Femrite Drive)	$1,882,800	$1,909,100
Vacated Space at 101 E. Wilson	-313,600	-313,600
Rent Total	$1,569,200	$1,595,500
Other Costs		
Taxes	$455,100	$477,900
Sewer, Water and Gas Service	39,800	39,800
Electricity	720,000	720,000
Maintenance	700,000	700,000
Fiber Optic Cable	35,700	35,700
Additional Well*	154,300	0
Miscellaneous	100,000	100,000
Total Cost	$3,774,100	$3,668,900
Base Authority	$1,316,100	$1,316,100
Additional Funding Requested	$2,458,000	$2,352,800

*One time cost.

Consultant Recommendations on Server Consolidation

5. In April, 2004, DOA began an evaluation of the state's IT server and network infrastructure. The goal of the evaluation was to "inventory the current enterprise [state government] computing environment, and analyze the collected information to estimate the potential savings that could be achieved through consolidations of servers and server infrastructure." After reviewing the initial assessment, DOA indicated in November, 2004, that it would undertake an IT server consolidation.

6. In order to plan and implement the consolidation, DOA utilized a series of multi-agency working groups, supplemented by the services of an IT consultant (Crowe Chizek and Company). The working groups addressed issues such as organization, creation of a new data center, network security, support systems and email.

7. A November, 2004, Crowe Chizek report indicated that state executive branch agencies (excluding the UW System) identified over 35,000 computer-using employees at 885 different locations. A total of 2,430 computing servers were identified to provide support for these employees. At the time, individual state agencies generally managed and maintained their own servers using agency staff. The report further indicated the state had 1,184 full- and part-time

employees performing IT related functions.

8. According to DOA, the server consolidation effort was "designed to deliver information services more effectively across the State of Wisconsin while improving or maintaining service levels." The project was also intended to "reduce capital acquisition costs and ongoing operational costs associated with supporting information services" and was intended to centralize "both server and local area network (LAN) services throughout executive-branch state agencies." Under the consolidation, DOA was to provide server and network support with the agencies responsible for implementation and development of applications to support agency program activities.

9. According to the *Executive Budget Book*, server and network support consolidation was included in the 2005-07 biennial budget for the following reasons:

> "Most agencies currently maintain their own information technology shops, complete with server and network support and application support and development. As the number of applications and servers on which they run grew over the years, they have become difficult and labor-intensive to manage. This…initiative is aimed at rationalizing the support of the state's server and network infrastructure. Having these services provided by the Department of Administration will enhance systems management, stability, security and the ability to leverage resources and yet maintain or improve service levels for all aspects of the server infrastructure. At the same time, the state can realize financial savings from the consolidation."

10. Under 2005 Wisconsin Act 25, DOA was provided with increased funding and positions, while position authority in other state agencies was deleted. The salaries, fringe benefits, and other costs associated with the deleted positions was transferred to unallotted reserve within these other agencies, resulting in no net reductions in agency appropriations.

11. The consultant's cost/benefit analysis for the server consolidation estimated that the state, over a five-year period, would experience a net benefit of $13.2 million from the consolidation. The majority of the savings (80% to 90%) was estimated to be generated through a reduction in personnel required to manage servers and IT networks. Additional savings were estimated as a result from fewer servers being purchased and maintained, and from reduced use of contractors.

2005 Wisconsin Act 25 Actions

12. Including DOA, 22 state agencies were affected by the consolidation of state IT server and network support, beginning in 2006-07. In each agency, funding was reallocated from salaries and fringe benefits (and in some cases supplies and services) to unallotted reserve, supplies and services or permanent property within the agency. Reallocated funding is available for individual agencies to pay the usage fees to DOA for server and network support. While no funding decreases were made under 2005 Wisconsin Act 25, associated with the IT server and network

support consolidation (except in DOA), each of the other 22 agencies were required to reduce the number of positions in their agency related to server maintenance and operations. Reallocated funding amounts and positions reductions in 2006-07 are identified below by agency and by fund source.

State Agency Funding Reallocations and Position Reductions (2006-07)

Agency	Reallocated Funding	Position Reduction	Fund Source
GPR Funding			
Administration	$37,800	-0.50	GPR
Corrections	640,200	-8.80	GPR
Educational Communications Board	101,000	-1.16	GPR
Ethics Board	800	0.00	GPR
Historical Society*	60,300	-0.75	GPR
Military Affairs	0	-0.53	GPR
Revenue	536,800	-6.30	GPR
Tourism	63,000	-0.90	GPR
GPR Subtotal	$1,439,900	-18.94	
FED Funding			
Military Affairs	$0	-0.11	FED
Natural Resources	341,200	-4.00	FED
Public Instruction	0	-0.05	FED
FED Subtotal	$341,200	-4.16	
PR Funding			
Administration	$340,700	-4.50	PR
Agriculture, Trade and Consumer Protection	236,900	-2.75	PR
Commerce	204,200	-2.45	PR
Educational Communications Board	7,800	-0.36	PR
Financial Institutions	295,200	-3.46	PR
Health and Family Services	2,155,100	-21.55	PR
Insurance	101,800	-1.20	PR
Military Affairs	0	-0.21	PR
Natural Resources	372,500	-3.00	PR
Public Instruction	69,700	-0.83	PR
Public Service Commission	219,400	-2.50	PR
Regulation and Licensing	68,500	-0.83	PR
State Treasurer	29,500	-0.30	PR
Workforce Development	1,575,700	-15.41	PR
PR Subtotal	$5,677,800	-59.35	
SEG Funding			
Employee Trust Funds	$139,900	-1.65	SEG
Natural Resources	445,100	-5.00	SEG
Transportation	832,700	-6.95	SEG
SEG Subtotal	$1,417,700	-13.60	
Total	$8,866,600	-96.05	

* Funding placed in supplies and services or permanent property.

Note: The Department of Veterans Affairs (DVA) was initially included in the consolidation of IT staff, but 2005 Wisconsin Act 468 restored the positions at DVA.

13. DOA indicated that the consolidation would take place over the course of the 2005-07 biennium in two phases.

- In Phase I (June, 2005, to January, 2006), all agencies would begin using a centralized service desk for assistance with server or network issues, transition to standardized policies and procedures for base services (server, administrative database administration, local area network administration and security functions), and, where possible, consolidate servers within individual agencies. During this period, although servers would not be physically moved, some staff would be transferred to DOA. Agency staffing levels would remain unchanged, and support for basic server and network supports would be procured.

- In Phase II (approximately October, 2005, to July, 2007), final organizational changes would be made in DOA and other state agencies, standardized policies and procedures would be implemented for DOA "hosted" services (IT applications, web/internet, and data storage), servers were to be transitioned to the final software and hardware, and staff and servers were to be moved to a new data center. DOA indicated that 460 servers would be eliminated by the end of 2006-07.

Audit Findings

14. In April 2007, the Legislative Audit Bureau released an audit, entitled *Information Technology Projects [Report 07-5]*, which included a review of several state information technology (IT) projects, including DOA's server consolidation.

15. According to the audit, Crowe Chizek had estimated that the state would save $15.6 million over five years, largely due to the reduction of IT staff positions. In May, 2004, DOA stated that the server consolidation could be completed in May, 2006. As of this writing, the project has yet to be completed, and Crowe Chizek ceased work on the project in April of 2006. The Department has continued to work on the project with its own staff. To date, only the Department of Natural Resources, the State Fair Park, and the Elections Board have been fully migrated.

16. Through September, 2006, a total of $20.2 million had been expended on server consolidation, including $5.2 million that was paid to Crowe Chizek for consultant services and $6.0 million of IT supplies and services, $5.5 million on salaries and fringe benefits, and $3.5 in other supplies and services. The Department states that the total expenditures for the server consolidation has increased to $32.8 million with an additional $13.3 million of outstanding master leases through March, 2007. These costs are shown on the attachment to this paper. These costs do not include staffing costs in other agencies relating to planning the agencies' needs in moving servers or applications.

17. The audit states that IT directors have estimated that the server consolidation could take another five years to complete, yet DOA has not reestimated its projected costs nor revised its schedule. In addition, IT positions have been eliminated at most agencies, yet the Department has yet to complete consolidation, which means that the agencies must still maintain the servers without

IT resources while still being billed by DOA for their efforts in consolidating the servers.

18. The cost savings projections provided by Crowe Chizek will not be realized. The Department states that the DET is currently re-evaluating their approach for the server consolidation and that until the re-evaluation is completed the total costs of the project are unknown. The Department has formed a server consolidation steering team "to validate and gain input into the new approach, timeline, and costs."

19. In addition, the audit noted that one of the problems with the server consolidation initiative was that it was scheduled at the same time as two other major projects; email consolidation and the data center planning. It should be noted that the Department could continue to have staffing problems as DOA also plans to develop the integrated business information system (IBIS) during the 2007-09 biennium.

20. The audit also noted that the transfers and staffing reductions should have coincided with the completion of the consolidation tasks within the agencies. By reducing the staffing levels before the consolidation occurred, there were fewer IT staff responsible for both maintaining agency servers and working on the consolidation.

21. Finally, the audit states that DOA did not provide timely information to the agencies for planning the consolidation. The LAB reported that DOA did not give the agencies technical specifications until October, 2006; five months after the original target date for completing the consolidation.

22. The Legislative Audit Bureau recommended that DOA should report to the Joint Legislative Audit Committee (JLAC) by October 1, 2007, with: (a) a revised schedule for server consolidation, including realistic estimates of the number of servers to be eliminated; and (b) a revised cost-benefit analysis to include all implementation costs, such as those for the data center and agency staffing.

Information Technology Assessments

23. Within DOA, funding and positions were increased to reflect the consolidation of IT functions in the Division of Enterprise Technology. In addition, certain DOA in-house IT positions were reduced to reflect the estimated impact of the consolidation on DOA as an agency. Funding associated with the deleted DOA positions was generally placed in unallotted reserve.

24. In order to support these increased costs, DOA will charge fees to state agencies for use of the servers and the network. In May, 2005, DOA indicated that these rates had not yet been determined, but would be developed by June, 2005. The Department now indicates that rates have still not been determined, but that rates are expected to be set by the beginning of 2007-08.

25. The Department states that the 2006-07 budget for server consolidation is $19.7 million, which includes $5.3 million for administration. The operating budget for 2007-08 has yet to be developed. The Department indicates that revenues received from mainframe and data network

assessment balances were used to fund server consolidation costs in the 2005-07 biennium.

26. The Legislative Audit Bureau reviewed several statewide issues in their *2005-06 Audit of the State of Wisconsin [Report 07-4]*. The LAB stated their concerns with rate-setting for internal service billing.

27. The Department currently bills agencies for the services they use, including centralized computer processing, telecommunications and networking, fleet services, facilities operations and maintenance services, procurement services, and risk management. Once agencies are billed, they charge fees to state and federal accounts and seek reimbursement from the federal government for its share of the charges. The Department must ensure that the fees cover their costs, but do not generate profits. Federal rules allow DOA to maintain up to 60 days of operating reserves. The LAB notes that, ideally, when reserve balances are too high, rates would be adjusted to reduce the excess balances. In the event that these balances are not reduced, and DOA uses those balances for other purposes, federal rules require the state to repay the federal government's share. The LAB noted that in 2005-06, DOA still had several appropriations that maintained excessive balances, which has resulted in repayments to the federal government.

28. Given concerns raised in various audits, it could be argued that the Department should ensure that assessments are only in amounts sufficient to cover the costs for a specific project. Currently, DOA is required to promulgate the methodologies that it uses to establishing all fees and charges. The Committee could further require the Department to publish on their website the following, in regards to rates assessed for each IT service: (a) the total anticipated cost of an IT service; (b) the total amount that will be assessed for the service; and (c) the amounts that will be assessed to each agency, if a flat rate will be used; or (d) the rate per service provided, if a flat rate is not used.

29. In order to ensure that agencies are not overcharged, the Department could consider setting a maximum rate on assessments. Currently, the federal Office of Management and Budget has established project expectations and accurate scheduling estimates, and specifies that projected costs must be within 110% of those estimates. It could be argued that DOA should have to meet those standards on IT projects and that assessments should be based on those standards.

30. The Committee could prohibit the Department from assessing more than 110% of the lesser of the amounts appropriated for the project or the anticipated costs of the project. This restriction would limit the amount of the funding carryover that would be subject to federal reimbursement and ensure that the agency assessments are being used to pay for projects in which they receive a benefit.

31. Alternatively, it could be argued that the Department should have flexibility in the use of its IT assessments and that the excess balances allow DOA to pay for large upfront development costs, including project review, consultant costs, and initial equipment purchases.

Continuing Server Consolidation

32. Given the problems in implementing the server consolidation project and the unknown costs of continuing the project, the Committee may want to consider several alternatives regarding the server consolidation.

33. First, it could be asked whether server consolidation should continue. The recommendations of Crowe Chizek appear to have underestimated the complexity of the systems that are operated by individual agencies. The consultant assumed that the state could operate fewer servers by maximizing the amount of space used on each server and that in instances where multiple agencies used the same programs, that a single server could provide that service to multiple agencies. In addition there would be savings related to less maintenance related to the fewer servers, fewer software program and licensing purchases, and the ability to consolidate the state's purchasing power. However, the primary anticipated savings were from IT support staff reductions.

34. The audit indicates that even though the Department's primary purpose for server consolidation was cost savings, DOA never demonstrated that savings would occur as a result of the consolidation. The audit states that agency IT directors have consistently asserted that Crowe Chizek's November, 2004, analysis overestimated project benefits and underestimated project costs and that the complexity of the consolidation may require more IT staff rather than fewer. The IT directors also point out that certain applications cannot be put on the same servers, as was planned by DOA.

35. It could also be argued that even in the case where multiple applications are placed on the same server, that the updates necessary for a few applications could require the Department to update the capacity of the entire data center, rather than the updating a few servers at a specific agency. Agencies that have relatively low IT needs may be forced to pay a portion of the cost of updating a system that is expending much more quickly than their needs. On the other hand, agencies that have need for sophisticated information capability may be held back due to DOA's desire to limit the cost of updating the capabilities of the entire data center.

36. While the server consolidation is only a portion of the data center, it could be argued that if the server consolidation was discontinued that a smaller space could be leased, either at the current facility or at an alternative facility.

37. The Committee could require the Department to do the following before continuing server consolidation: (a) complete a revised study of consolidation, in consultation with other executive branch agencies; (b) specify that the study would develop a timeline and full-cost estimate of initially consolidating executive branch servers; (c) identify the cost of retaining servers at the agencies; (d) specify that all costs would consider use of the current space used by agencies; and (e) specify that in considering the costs and benefits of server consolidation that DOA consider the costs that could be saved if less space was leased at the current data center or at an alternative location.

38. The Committee could transfer second year funding ($2,352,800 PR in 2008-09) for space rental costs, maintenance, fuel and utilities, taxes and fiber optics for the new data center in Madison to the Committee's program revenue supplemental appropriation until this report has been completed and that information is forwarded to the Joint Committee on Finance and the Joint Committee on Information Policy and Technology (JCIPT) or the Joint Legislative Audit Committee if JCIPT is not reactivated and recommendations are provided by DOA based on the analysis of this information.

39. Alternatively, the Department states that the data center is needed for more than just server consolidation, it is also needed as a means of improving operations and as a backup facility for information that could be lost in a disaster. In addition, the cost of vacating the facility could be costly, since DOA has entered into a 17-year lease with Lokre Data Center, LLC, on a 56,000 square foot data center in Madison.

Forestalling Authority

40. Senate Bill 40 authorizes DOA to incur expenses in excess of available revenues to the extent that the liability is offset by the remaining value of equipment. This authority is known as "forestalling authority."

41. Under ss. 20.903 and 16.513 of the statutes, agencies are currently prohibited from creating a liability to the state unless they have appropriation authority and anticipated revenue to pay the liability. In the case of PR appropriations, an agency may expend the amounts in the schedule, even if there are not currently sufficient revenues coming into the particular fund. The Department of Administration must report to the Committee any projected insufficiency of program revenues which occur at the end of a fiscal year. The agency that has an appropriation that is in deficit, is required to develop a plan to assure that there are sufficient revenues and assets to meet the obligations. The Department must then forward this plan to the Committee for 14-day passive review.

42. Certain appropriations may bypass this reporting requirement (referred to as "forestalling appropriations"). For these appropriations, expenditures may exceed revenues to the extent that expenditures are offset by the value of assets. This type of authority is utilized for certain appropriations where significant capital products are purchased. Under DOA, there are currently four forestalling appropriations, including appropriations supporting the following: (a) capital planning and building construction services; (b) transportation and documents services; (c) materials and services provided to state agencies; and (d) materials and services to non-state government agencies. All of these appropriations are PR-annual appropriations.

43. The federal government may prohibit the state from charging federal funds for IT projects that are in their developmental stages. In most cases, these developmental costs on large projects are funded through master lease, and the federal appropriations are assessed only when the project has been completed, and the federal government is receiving a benefit from the program operations. These clauses help ensure that federal funds are not used to support failed IT programs.

44. It could be argued that projects like server consolidation and integrated business information system (IBIS), where all agencies and all fund sources are likely to be used are potentially susceptible to even larger state funding loss. A project that has significant cost overruns or fails will likely not recover any portion of the losses from federal sources, which increases the potential losses in the GPR, PR, and SEG accounts.

45. As is the case with the Department's request to provide forestalling authority for the IBIS, the Department states that the authority is needed because the federal government will not allow federal funds to be used to pay for system development costs (start-up costs). Federal requirements provide that a fully operational system be in place with a plan to recover the investment cost over the life of the system. At the end of 2007-08, DOA anticipates there will be a cash deficit, which will be recouped over a multiyear period. As a result, DOA believes that a forestalling appropriation is appropriate.

46. However, it could be argued that to the extent that forestalling authority allows agencies to expend more than has been received in revenues, that this authority puts the state's resources (GPR, PR, and SEG funds) at greater risk should an IT project fail. Since it is unlikely that the federal revenues could be received to pay for a failed project, state resources alone would cover these losses. To the extent that counting the undepreciated value of an IT project allows the state to continue a project before federal funds have ultimately been approved could increase to losses should failure occur.

47. As with the IBIS project, it could be argued that Committee could delete the forestalling provision and the Department could pay for most long-term costs through master leases.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide $2,458,000 PR in 2007-08 and $2,352,800 PR in 2008-09 for space rental costs, maintenance, fuel and utilities, taxes and fiber optics for the data center in Madison.

ALT 1	Change to Bill Funding	Change to Base Funding
PR	$0	$4,810,800

2. Require the Department to publish on its website the following information for all information technology projects: (a) the total anticipated cost of the project; (b) the total amount that will be assessed for the project; and (c) the amounts that will be assessed to each agency, if a flat rate will be used; or (d) the rate per service provided, if a flat rate is not used. Prohibit the Department from assessing more than 110% of the lesser of the amounts appropriated for an information technology project or the anticipated cost of the project.

3. Require the Department to do the following before continuing server consolidation:

(a) complete a revised study of consolidation, in consultation with other executive branch agencies; (b) specify that the study would develop a timeline and full-cost estimate of initially consolidating executive branch servers; (c) identify the cost of retaining servers at the agencies; (d) specify that all costs would consider use of the current space used by agencies; and (e) specify that in considering the costs and benefits of server consolidation that the Department consider the costs that could be saved if less space was leased at the current data center or at an alternative location. Require the Department to provide this information to the Joint Committee on Finance and the Joint Committee on Information Policy and Technology (JCIPT) or the Joint Legislative Audit Committee if JCIPT is not an active committee. Transfer $2,352,800 PR in 2008-09 from the Department's printing, mail, communication and information technology services appropriation to the Committee's program revenue supplemental appropriation. Allow the Department to request supplemental appropriation authority pending analysis of the information provided under points (a) through (e).

4. Modify the Governor's recommendation by deleting forestalling authority for the printing, mail, communication and information technology services appropriation.

5. Maintain current law, relating to funding for the data center.

ALT 5	**Change to Bill** Funding	**Change to Base** Funding
PR	**-** $4,810,800	$0

Prepared by: Darin Renner
Attachment

ATTACHMENT

Division of Enterprise Technology
Server Consolidation Costs Thru March, 2007

Description	2005	2006	2007	Total
Personal Services				
Classified Civil Service Salaries	$130,920	$2,775,664	$3,477,794	$6,384,378
Fringe Benefit Expenses	30,746	771,834	1,294,300	2,096,880
Limited-Term Employees	0	76,472	174,702	251,174
Subtotal	$161,666	$3,623,970	$4,946,796	$8,732,432
Supplies and Services				
Contractual Services Expenses	$2,732,706	$1,816,181	$1,002,808	$5,551,695
Dues and Subscriptions	0	795	865	1,660
Data Network Charges	67,534	0	0	67,534
Data Processing - Private Vendors	352,218	767,363	460,573	1,580,154
Data Processing - State	0	116,841	0	116,841
Housekeeping/Janitorial	0	0	3,783	3,783
Indirect Cost Allowance*	335,932	1,351,585	3,815,990	5,503,507
Insurance	0	-	18,263	18,263
Interchange Agreements	98,458	63,136	0	161,594
Maintenance - Data Processing Equipment	514,911	337,069	589,981	1,441,961
Minor Equipment and Software	490,741	1,027,497	105,466	1,623,704
Maintenance and Repair - Land/Building	96	10,557	0	10,653
Non State or Non-STS Calls	4,304	7,530	3,964	15,798
Other Administrative and Operating	3,172	3,358	87	6,617
Rent/Lease of Equipment	304,361	549,758	68,064	922,183
Materials & Supplies - Other	86,325	250,501	145,157	481,983
State Telephone Service	2,302	2,161	1,228	5,691
Other Telecommunications	98	3,967	5,844	9,909
Travel & Training/In-State	411	1,481	2,175	4,067
Travel & Training/Out-of-State	3,311	12,604	13,598	29,513
Other Travel and Training Expenses	1,482	0	7,676	9,158
Subtotal	$4,998,362	$6,322,384	$6,245,522	$17,566,268
Fixed Assets				
Fixed Assets - Equipment	$398,834	$1,943,874	$4,208,140	$6,550,848
Subtotal	$398,834	$1,943,874	$4,208,140	$6,550,848
Total	$5,558,862	$11,890,228	$15,400,458	$32,849,548

*Includes division administration and a portion of the Femrite Drive data center costs.