USBE Legislative Request Form

(Policy, Funding, & Efficiency / Reductions)

SECTION 1: THE BOTTOM LINE

Request Title: Information Technology Budget Increase Request

USBE Lead Point of Contact:

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- USBE Section: Information Technology

Director Reviewer: Jared Felt

(Note: You must review this request with your Director prior to submission).

Nature of Request (Select all that apply):

[ ] **Policy Change:** Creating, amending, or repealing Utah State Code. *(Complete Section 4)*

[X] **New/Increased Funding:** Seeking new financial resources. *(Complete Section 3)*

[ ] **Efficiency / Reduction:** Proposing the elimination or reduction of a program, mandate, or funding stream. *(Complete Section 3 and/or 4)*

Purpose Statement (BLUF - Bottom Line Up Front):

We are requesting an ongoing increase of $971,984 per year, effective FY2028, to cover software and cloud hosting cost growth (including a reallocation from retiring legacy infrastructure to the increased Microsoft Azure hosting), a new software solution request from the agency for project management and strategic planning, contracted IT work supporting current work and unfunded mandates, and hardware and infrastructure renewal cycles. USBE's Information Technology budget has not increased since at least 2017. This request does not include personnel costs.

SECTION 2: THE BUSINESS CASE

(Required for all requests)

The Problem:

USBE's Information Technology budget has not increased since at least 2017, while non-personnel ITAD operating costs have grown substantially. The ITAD program's current FY27 non-personnel budget is $1,664,305. Based on known contract renewals, licensing agreements, a new software solution request from the agency, and increased cloud hosting costs, this is forecast to average $2,636,289 per year across FY28-32, an ongoing increase of $971,984 per year (58.4%). Software and cloud licensing is the largest driver: costs grew from $645,525 in FY27 to an average of $1,221,580 across FY28-32, driven by an increase in Microsoft hosting costs and a new software subscription not in the original forecast. The Microsoft hosting increase reflects funding reallocated from older technologies, which are being retired as part of the USIMS upgrade and no longer requires funding. A second software category, tied to routine Microsoft, RedGate SQL, and Veracode escalators, adds a further $67,760 on average. Contracted IT work supporting unfunded mandates adds $60,775. The remainder reflects hardware refresh cycles, facility, security, and routine operating cost growth. This request does not include personnel or indirect personnel costs, which are addressed separately through the standard finance process.

The Source:

This request originated from an internal budget review conducted by the IT and Finance sections, using ITAD program cost data verified line item by line item against the FY27 IT Budget.

Projected Results:

Zero unplanned service disruptions to LEA-facing systems due to lapsed software licenses or deferred security maintenance, tracked starting FY28. 100% of required security infrastructure and software subscriptions remain active and current, verified annually.

Consequence of Inaction:

USBE has covered rising IT costs for several years by drawing on carry-forward savings rather than budgeted funds. That reserve is not a sustainable funding source and is being depleted to cover costs that should be part of the base budget. Without this increase, ITAD would need to absorb rising software and cloud hosting costs, a new software purchase, and contracted work supporting unfunded mandates within a flat budget, requiring cuts to contractor support, security tooling, or delayed hardware refresh cycles. Any of these increases operational and security risk for the systems ITAD supports, with potential disruption to services used by LEAs.

Evidence & Data:

See attached ITAD Program FY27-FY32 Budget Forecast, itemized by cost category and verified against ITAD-coded line items in the FY27 IT Budget, averaged across the FY28-32 forecast. Personnel and indirect personnel costs are excluded from this request.

ITAD Program - FY27 to FY32 Budget Forecast (Evidence & Data)

Category	FY27 Base	FY28-32 5-Yr Avg	Increase	Notes
Software (Core/Shared Services)	$645,525	$1,221,580	$576,055	Includes the Microsoft Azure - Hosting Services - ITAD increase (FY27 $260,000 to FY28 $618,000, escalating 5%/year) and a new software subscription not in the original forecast. The Azure increase reflects funding reallocated from Powerbuilder, which no longer requires funding under the USIMS upgrade.
Contractor Services	$444,262	$505,037	$60,775	Contracted IT work (Contractor - IT WORK) supporting unfunded mandates.
Software (IT Only) Licensing	$431,942	$499,702	$67,760	Routine Microsoft, RedGate SQL, and Veracode escalators. No longer includes Powerbuilder relicensing, which is retired under the USIMS upgrade.
Hardware	$36,825	$247,138	$210,314	Computer refresh cycle and AV/hardware replacement, including the Nutanix hardware refresh landing in FY29.
Building/Facility & Telecom	$53,209	$88,449	$35,240	Rent, building and grounds, phone service, and cell phone costs allocated to ITAD.
Office Supplies, Dues & Misc	$29,954	$39,382	$9,428	Books & subscriptions, general office expenses, and insurance & bonds.
Security Tools & Insurance	$16,148	$27,526	$11,378	F5 Networks Layer 7 Firewall.
Travel	$6,441	$7,474	$1,033	In-state and out-of-state travel.
Total	**$1,664,305**	**$2,636,289**	**$971,984**	

Personnel and indirect personnel costs are excluded from this request; those costs are addressed separately through the standard finance process. All figures verified against ITAD-coded line items in the FY27 IT Budget Breakdown workbook (Maintenance tab), averaged across the FY28-32 forecast.

External Validation:

Gartner's April 2026 worldwide IT spending forecast projects software spending will reach $1.44 trillion in 2026, up 15.1%. Gartner attributes much of that growth to AI features now embedded in software organizations already own, which raises both licensing costs and per-seat pricing. Gartner also forecasts data center and hosting spending will grow 55.8% in 2026, the fastest growth of any IT category it tracks. That mirrors the hosting cost pressure driving the Microsoft Azure increase in this request. Rising memory prices are pushing device and hardware costs higher as well, consistent with the hardware refresh costs included here. These figures are worldwide enterprise averages. USBE does not have access to a Utah-specific or K-12-specific cost index, so they are offered as directional confirmation that software, cloud, and hardware costs are rising broadly, not as a precise benchmark for this request.

SECTION 3: FUNDING, OFFSETS, & EFFICIENCIES

Financial Ask:

- **FY 2027 Ongoing Requested:** $971,984
- **FY 2027 One-Time Requested:** $0
- **Proposed Offsets / Savings:** $0 *(Amount saved by cutting redundancies or reallocating existing funds)*

The Offset Strategy:

No offsetting cuts or reallocations are proposed. This request reflects real cost increases in existing ITAD operations plus one new software purchase, not new programs.

Future Obligations:

Does this request create multi-year scale-up costs or ongoing maintenance obligations?

[X] Yes

[ ] No

If yes, please describe: ITAD costs grow unevenly across the five-year forecast, driven by multi-year renewal cycles. The $971,984 figure is the FY28-32 average annual increase and is requested as an ongoing addition to the base budget starting FY28, not a one-time or sunsetting request.

Itemized Budget Request:

(Please detail how the funding will be utilized across the following categories).

Itemized Budget Request - FY27 to FY32 (ITAD Program)

	FY 2027 (Current)	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Ongoing Ask
TOTAL REQUESTED	$1,664,305	$2,126,856	$2,683,198	$2,806,584	$2,462,101	$3,102,706	$971,984

New USBE FTEs Requested: 0 (Enter number of new FTEs)

Can current FTEs be assigned these responsibilities? Explain.

Yes. This request funds increased costs for systems and services already managed by current staff. No new positions are requested.

If no FTEs are required, explain.

Performance Measures:

Zero unplanned service disruptions to LEA-facing systems due to lapsed software licenses or deferred security maintenance, tracked starting FY28. 100% of required security requirements and software subscriptions remain active and current, verified annually.