FISCAL IMPACT STATEMENT

DATE SUBMITTED:	**MARCH 8, 2018**
NAME OF INITIATIVE:	**CLOUD TRANSITION PHASE II (CLOUD DEVELOPMENT TOOLS MODERNIZATION)**
REGULATOR/BUSINESS SPONSOR:	**INNOVATION AND TECHNOLOGY (EX) TASK FORCE**

NAIC STAFF SUPPORT

ANTICIPATED COMPLETION DATE:	**FEBRUARY 15, 2019**

TOTAL REVENUE EXPECTED (

- Transformation and training in a DevOps culture of continuous learning and improvement with increased collaboration between internal development and operations teams.
- Improved automation of internal security and governance.

III. Financial and Organizational Impact:

The financial impact of this project is summarized below within four main categories of expenses: computing, software, consulting, and training.

A. Computing

Computing cost of $284,750 is requested in 2018 to run cloud-based applications via Amazon Web Services (AWS) to cover the NAIC's non-project-specific costs and 2018 cloud projects. These run costs will continue and will be $385,250 in 2019. NIPR's run cost is $140,250 in 2018 and $189( )0.9 (i)-.6 (( )0.6 (a)-1.8(T)-6 (h.9 (i-w.3 (n)1.6 (d)-3.3 n)1.6 ( )1 (2))Tj -wBM)([(a)1h,]TJ 0 Tc

IV. Stakeholder Impact if the Fiscal is Not Approved:

If this project is not approved, the cloud adoption and execution

Legal counsel and external expertise will be very important in establishing the contracts and agreements for cloud services.

- New tools are needed for automation and scalability for cloud migrations. The initial selection of tools may need to be adjusted based on learnings as the project progresses. This risk is being managed by conducting proof of concepts using trial subscriptions before buying a small number of tool subscriptions to start out with before scaling to enterprise-wide needs.
- The NAIC's internal Enterprise Project Management Office has initiated cloud program management to manage risks and dependencies across the various cloud projects, change management, training, and communication.

External business partners and vendors may also experience change as a result of this initiative if there are changes to the web services or other specifications upon which they rely when an application they use is migrated to the Cloud. For example, some external partners use a web service to retrieve or submit data from or to the NAIC. If the web service changes, the partner will need to incorporate that change. Communication and coordination will be important to provide these business partners and vendors advanced notification of any impacts to them, as well as the time needed to respond to the changes.

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2018 Budget
Fiscal Impact Statement Project Cost Analysis

Project/Initiative: Cloud Development Tools Modernization

Business Entity: NAIC

Description	April	May	June	July	August	September	October	November	December	2018 Total	2019 Budget
Revenues:											
Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenses:											
A. Computing											
Computing Costs via AWS	47,200	47,200	47,200	47,200	47,200	47,200	47,200	47,200	47,400	425,000	575,000
NIPR Credit for Computing Costs via AWS	(15,576)	(15,576)	(15,576)	(15,576)	(15,576)	(15,576)	(15,576)	(15,576)	(15,642)	(140,250)	(189,750)
NAIC Net Cost for Computing	31,624	31,624	31,624	31,624	31,624	31,624	31,624	31,624	31,758	284,750	385,250
B. Software/Tools											
Cloud & DevOps Tool Licenses	16,277	16,277	16,277	16,277	17,945	21,999	22,152	27,652	31,609	186,465	395,900
NIPR Credit for Cloud & DevOps Tool Licenses	(5,371)	(5,371)	(5,371)	(5,371)	(5,922)	(7,260)	(7,310)	(9,125)	(10,431)	(61,533)	(130,647)
NAIC Net Cost for Cloud & DevOps Software/Tools	10,906	10,906	10,906	10,906	12,023	14,739	14,842	18,527	21,178	124,932	265,253

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