

# Technology

<b>Adopted Adjustments</b>				
(\$ in millions)				
	<b>FY 2013</b>		<b>FY 2014</b>	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2012-14 Current Budget (Ch. 3, 2012 Special Session I)	\$8.4	\$50.9	\$8.4	\$48.7
Approved Increases	0.1	0.8	2.6	0.8
Approved Decreases	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.2)</u>	<u>(21.2)</u>
\$ Net Change	0.1	0.8	2.4	(20.3)
<b>Chapter 806 (HB 1500, as Adopted)</b>	<b>\$8.6</b>	<b>\$51.8</b>	<b>\$10.8</b>	<b>\$28.3</b>
% Change	1.4%	1.7%	28.5%	(41.7%)
FTEs	31.00	268.00	31.00	268.00
# Change	0.00	0.00	0.00	0.00

- **Innovation and Entrepreneurship Investment Authority**
  - *Provide Funding for Cyber-Security Accelerator.* Provides \$2.5 million GF the second year for establishing a cyber-security accelerator to be operated by the Center for Innovative Technology. It is expected that this cyber-security accelerator will assist in the development of about 10 new high-growth companies in the Commonwealth per year, with estimated annual sales of over \$50.0 million per company. Funding from this program can be used to defray capital expenses of company formation for no longer than two years for any eligible company.
  - *Eliminate Funding for Replacement of Audio-Visual Equipment and Furniture.* Reduces funding by \$87,000 GF the second year by eliminating budgeted funding for the replacement of audio-visual equipment and office furniture currently at the end of their useful life.
  - *Eliminate Funding for the Development of Program and Client Services Reporting.* Reduces funding by \$50,000 GF the second year by eliminating the development and implementation of an interactive map of the agency’s programs and client services for the agency’s website.

- ***Innovation and Entrepreneurship Measurement System.*** Directs the Innovation and Entrepreneurship Investment Authority to provide \$50,000 from within its current resources to create a measurement system for innovation and entrepreneurship to assist in determining activities worthy of economic development and institutional focus as part of the Commonwealth’s Research and Development Roadmap.
- ***Provision of Broadband Assistance to Underserved Localities.*** Requires the Center for Innovative Technology to assist those localities where broadband services are not currently available, or where under-served communities have been identified, in determining the business practices; vendor technical capabilities and requirements; and other issues that must be considered in order to provide broadband service to their citizens. This requirement is consistent with the Center for Innovative Technology’s current responsibility to enhance and facilitate the availability of broadband services throughout the Commonwealth.
- ***Angel Investor Tax Credits.*** Language in Part 3-6.04 increases the cap on the qualified equity and subordinated debt investment -- angel investor -- tax credit by \$500,000, to \$4.5 million, in tax year 2013. The cap is increased by \$1.0 million, from \$4.0 to \$5.0 million, for taxable year 2014.

- **Virginia Information Technologies Agency**

- ***Adjust Funding for Oracle Related Charges.*** Reflects the JLARC-approved rates for assessing Oracle licensing charges. The established rates only apply to those state agencies that actually have Oracle licenses rather than all state agencies. The impact of this policy decision affects the budgets of 47 state agencies. A total of 39 state agencies experienced budget reductions of \$481,906, ranging from \$120,625 for the Department of Behavioral Health and Developmental Services to a reduction of \$220 for the Department of Rehabilitative Services. In contrast, eight state agencies received additional funding totaling \$757,585, ranging from \$187 for VITA to \$244,457 for the Department of General Services.
- ***Establish Position to Support Small Agency Information Security Needs.*** Provides \$121,535 GF the first year and \$132,582 GF the second year to dedicate 1.0 existing position as an Information Security Officer for small agencies, defined as those with fewer than 100 employees. Because VITA requires that all state agencies comply with its security standards, but does not provide security for state agencies’ systems, small agencies may not have developed robust security programs either due to a lack of staff or other resources.
- ***Transfer E-911 Funding to Department of Accounts Transfer Payments.*** As part of government reform legislation adopted during the 2012 Session, the Department

of Taxation was assigned responsibility for calculating and distributing Public Safety Answering Point (PSAP) allocations to localities. This function was previously VITA’s responsibility. While the Department of Taxation will calculate the PSAP amounts due localities, the actual allocations are distributed through the Department of Accounts’ Transfer Payments Program, which was established to provide various locality distributions. This technical amendment transfers the \$21.2 million appropriation for the payment of local PSAP allocations from VITA’s budget to the Department of Accounts’ Transfer Payments Program for subsequent distribution to localities.

- ***Increase Industrial Funding Adjustment Appropriation.*** Increases the appropriation for the Industrial Funding Adjustment (IFA) by \$849,615 NGF each year to reflect actual revenue and expense allocations. The IFA is derived from surcharges added on state information technology contracts and is used by VITA to support information technology procurement and contracting.
- ***Revise Sum Sufficient Appropriations for Technology Development and Operations.*** Increases all of the sum sufficient appropriations state agencies must pay for services provided by VITA and Northrop Grumman. In all cases, these internal service fund increases are above the amounts included in Chapter 3 of the 2012 Acts of Assembly, Special Session I.

<b>Increases in Sum Sufficient Appropriations for Technology Services</b> (\$ in millions)		
<b>Internal Service Fund</b>	<b><u>FY 2013</u></b>	<b><u>FY 2014</u></b>
Network Services – Data, Voice, and Video	\$20.1	\$12.3
Data Center Services	2.7	5.5
Desktop and End User Services	3.9	6.6
Computer Operations Security Services	<u>0.1</u>	<u>0.2</u>
<b>Total Internal Service Fund Increases</b>	<b>\$26.8</b>	<b>\$24.6</b>

- ***Audit of Enterprise Applications Master Services Agreement.*** Directs the Auditor of Public Accounts to conduct a financial and operational audit of the services provided to Executive Department agencies by the primary contractor and its subcontractors under the Enterprise Applications Master Services Agreement, and to determine the contractor’s performance against measured service levels. This

audit is to be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2013.

- ***Assessment of Current Comprehensive Infrastructure Agreement.*** Requires the Chief Information Officer to provide a detailed assessment of the current comprehensive agreement including: (1) an overview of all in-scope agency transition timelines and costs; (2) a description of all efforts undertaken to ensure the market competitiveness of the fees paid to the contractor; (3) whether the Commonwealth's needs are met, and if not, any contract modifications that might be required to meet the Commonwealth's needs; and (4) an identification of the options available to the Commonwealth when the current contract expires, including any necessary planning for the contract's expiration.
  
- ***Reduce Funding for RTIP Report of Major Information Technology Projects.*** Reduces funding for the comprehensive research, analysis, and preparation of VITA's Recommended Technology Investment Projects (RTIP) report by \$80,691 GF the second year. VITA reports preparation of the RTIP report involves a great deal of staff time and resources, and that the demand for this information has decreased, especially since the Information Technology Investment Board was disbanded. The RTIP will continue to be produced on a smaller scale with more targeted research and analysis.