

Technology

Governor's Proposed Amendments (\$ in millions)				
	FY 2017 Proposed		FY 2018 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Ch. 780, 2016 Session)	\$14.9	\$405.1	\$14.5	\$399.1
Proposed Increases	1.8	0.0	0.0	0.0
Proposed Decreases	<u>(0.0)</u>	<u>(3.5)</u>	<u>(2.2)</u>	<u>(11.9)</u>
\$ Net Change	0.0	(3.5)	(2.2)	(11.9)
HB 1500/SB 900, as Introduced	\$16.8	\$401.7	\$12.3	\$387.2
% Change	12.1%	(0.9%)	(15.2%)	(3.0%)
FTEs	21.00	218.00	7.00	234.00
# Change	0.00	(12.00)	(12.00)	4.00

- **Innovation and Entrepreneurship Investment Authority**

- *Designate Existing Program Balances for One-Time Savings.* Proposes to redirect and utilize returns on previous investments made by the Center for Innovative Technology, on behalf of the Commonwealth of Virginia, through the Growth Accelerator Program. Returns to be designated as one-time savings as part of the statewide agency reductions requested by the Governor for FY17 total \$224,404.
- *Designate Existing Program Balances for One-Time Savings.* Proposes to utilize returned or unutilized funds in the Commonwealth Research Commercialization Fund FY17 resources as part of statewide agency reductions requested by the Governor in the amount of \$200,018.
- *Reduction in Base Operating Expenditures.* Identifies savings of \$150,000 GF in administrative costs through implementation of improved management efficiencies to reduce annual base operating expenses.
- *Modify GAP Program Language.* Proposes language to change the requirements for assessing the level of return on investment achieved through investments in

the Growth Accelerator Program to take a more pragmatic and contemporary approach to private to public funding ratios in the program.

- ***Improve Utilization of Program Funds.*** Proposes language preventing the charge of indirect costs associated with administration and overhead to program funds, including but not limited to the following programs: Innovation and Entrepreneurship Measurement System, broadband, unmanned systems, Cyber Security Commission, and Information Sharing and Analysis Organization, unless approved by the Governor.

- **Virginia Information Technologies Agency**

- ***Adjust Funding for Vendor Pass-Through Payments.*** Proposes a reduction of \$7.8 million NGF the second year for vendor pass-through payments to reflect the most recent forecast of state agencies' utilization in service areas.
- ***Adjust Revenues and Transition Activities.*** Adjustments in revenues for the Shared Security Center and the transition timeline activities result in combined NGF savings of approximately \$3.4 million in FY17 and \$3.5 in FY18, as well as a personnel reduction of 12.0 FTE for the biennium.
- ***Provide Funding for the Retirement of Outstanding Debt.*** Proposes a one-time payment of \$2.3 million GF in FY17 to resolve an outstanding debt left over from the Virginia Enterprise Applications Program that was in place prior to the current statewide IT contract. The contract and program that served as the source of funds dedicated towards payment was terminated, and this outstanding balance remains.
- ***Provide Funding for the Management of Cloud-Based Services.*** Proposes a continuation of the program authorized in FY17 to evaluate the needs of the Commonwealth in relation to cloud-based services. This appropriation in the amount of \$0.6 million NGF continues the program under a fee-for-service funding model and provides for 4.0 FTE.
- ***Provide Funding for the Expansion of Bandwidth Capacity.*** Proposes two FY 18 NGF appropriations totaling \$360,000 to accommodate the requisite network bandwidth and bandwidth needs of the Capitol Square Metropolitan Area Network and Capitol Square Area that are forecast to reach capacity next year. These are both one-time and continuing costs that will be incorporated into ISF calculations.

- ***Provide Funding for Software Licenses.*** Proposes funds to meet software licensing needs of the Commonwealth, including renewals and security authentication, in two FY18 NGF appropriations totaling \$1.6 million. These are periodic and continuing costs that will be incorporated into ISF calculations.
- ***Provide Funding to Transition to New IT Environment.*** Proposes to transfer \$2.0 million from FY18 GF to FY18 NGF in order to place future fiscal obligations of this nature upon the internal service fund in the new IT environment. ISF rate adjustments should be in place in FY18 to capture revenue required to support these previous GF obligations and the new process would begin paying out of NGF in FY19.
- ***Adjust Revenues for One-Time Employee Bonus Payment.*** Increases projected ISF revenues to accommodate the Governor’s proposed one-time state employee bonus of 1.5 percent for the VITA employees. This initiative replaces the adjustments for the intended 3 percent increase in salaries authorized in Chapter 780 of the 2016 Acts of Assembly, the current biennium budget.
- ***Capture Savings from Reduced Services.*** Proposes FY18 reductions of \$5.3 million NGF as utilization of the Medicaid-related IT platform is reduced. This somewhat independent platform will transition to the new IT environment, and may see an increase in service utilization in the future.
- ***Collections of IT Revenue from the Virginia State Police.*** Proposes language authorizing VITA to collect from the VSP any revenue necessary to offset a rate increase to other Executive Branch agencies that would be created as a result of VSP’s separation from the current statewide IT contract environment. The language establishes responsibilities and a process by which this action should occur, pending passage of legislation in the upcoming 2017 session of the General Assembly. A companion language amendment is included in the Public Safety secretariat.

Central Appropriations

- ***Increased Line of Credit.*** Proposes to increase agency line of credit from \$60.0 million to \$75.0 million to offset anticipated funding needs related to the transition currently underway from the existing statewide IT contract environment to the new model.