

Technology

Adopted Adjustments (\$ in millions)				
	FY 2015 Adopted		FY 2016 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Base Budget, Ch. 806	\$10.8	\$28.3	\$10.8	\$28.3
Increases	2.7	354.2	2.7	371.7
Decreases	(2.6)	(0.0)	(2.6)	(0.0)
\$ Net Change	0.2	354.2	0.2	371.7
Chapter 2 (HB 5002, as Adopted)	\$11.0	\$382.5	\$11.0	\$400.0
% Change	1.55%	1249.43%	1.67%	1311.2%
FTEs	31.00	255.00	31.00	258.00
# Change	0.00	(19.00)	0.00	(17.00)

- **Innovation and Entrepreneurship Investment Authority (IEIA)**
 - *Transfer GAP Funds to IEIA.* Includes a series of actions regarding the Growth Accelerator Program (GAP). First, Chapter 2 of the 2014 Acts of Assembly (HB 5002) transfers \$1.6 million each year from the general fund appropriations previously allocated Economic Development Incentives Payments program overseen by the Secretary of Commerce and Trade. Second, it includes \$500,000 each year in additional general fund support to increase the number of eligible companies in which seed and early stage investments can be made. The GAP program's purpose is to provide seed and early-stage investments in Virginia-based technology, life sciences, and energy efficiency companies possessing a high potential to achieve rapid growth.
 - *Require Performance Reporting by IEIA.* Requires the submission of an annual report by the president of the IEIA to the Chairmen of the House Appropriations and Senate Finance Committees and the Director of the Department of Planning assessing the performance of the agency in assisting localities with broadband access, the number of jobs created and tax revenues generated for GAP Fund investments, the number of companies receiving GAP Fund investments that are still operating in Virginia, and the number of jobs created, tax revenues generated,

and proceeds from the sale of equity in those companies assisted by the Cyber-Security Accelerator.

- ***Funding for Broadband Assistance.*** Provides \$500,000 GF each year to support the Center for Innovative Technology’s interactive map website and any application development necessary to augment the map website. One component that is to be incorporated into this mapping website is the identification of localities and populations that lack broadband access. The Center for Innovative Technology is to provide guidance and information to localities that want to provide their citizens with broadband service.
- ***Eliminate One-time Funding Provided for Cyber-Security Accelerator.*** Includes a technical amendment removing a one-time GF appropriation of \$2.5 million for the creation of a cyber-security accelerator operated by the Center for Innovative Technology. The one-time funding capitalized the accelerator, which will continue to be operated by the Center for Innovative Technology using other resources.

- **Virginia Information Technologies Agency**

- ***Additional Funding for VITA Charges.*** Includes \$396,436 GF and \$421,387 NGF the first year and \$5.0 million GF and \$6.9 million NGF the second year to increase 109 state agencies’ budgets to account for the charges VITA assesses for information technology services.
- ***Eliminate Internal Service Fund Sum Sufficient Appropriations.*** Eliminates the sum sufficient appropriations for VITA’s internal service fund services and establishes line item appropriations for these costs. State agencies are assessed charges by VITA for the costs of vendor services, optional services, and administrative overhead. These costs are currently unidentified except through budget language. Budget language currently estimates these costs to be \$339.2 million. In contrast, the adopted actions include line item appropriations for these costs totaling \$306.2 million for payments to vendors, \$11.8 million for optional services to state agencies, and \$23.8 million for VITA’s administrative costs. This action improves budget transparency and requires increases in these items to be approved by the General Assembly.
- ***Adjust Agency Funding for the Costs of Information Technology and Telecommunications Contracts.*** Increases the amounts for payment of contractual obligations and growth in the information technology and telecommunications services provided to state agencies by \$3.4 million NGF the first year and \$18.2 million NGF the second year. The source of the nongeneral funds is charges

assessed to state agencies for these services. VITA requires sufficient funding to pay for the service providers' costs.

- ***Increase Staffing to Improve Data Security and Provide Agency Services.*** Provides \$1.0 million NGF and 8.0 FTE positions the first year and \$1.4 million NGF and 11.0 FTE positions the second year to enhance the agency's information security and risk management programs and to maintain existing state agency service levels and oversee information security projects. The source of the nongeneral funds is VITA's internal service fund.
- ***Implement New Telecommunications Management and Billing System.*** Provides \$1.7 million NGF the first year and \$721,624 NGF the second year to implement a new telecommunications management and billing system. This action will allow VITA to retire a legacy billing system and improve service ordering and billing for state agencies. The source of the nongeneral funds is the agency's internal service fund.
- ***Develop Information Sourcing Strategy for Contract Transition.*** Includes \$600,000 NGF the first year and \$1.6 million NGF the second year to contract with a private-sector company to assist VITA in preparing for the expiration of the Northrop Grumman contract. The source of the nongeneral funds is \$600,000 each year from the agency's IFA and \$1.0 million from VITA's internal service fund.
- ***Increase Funding for Agency Outreach Program.*** Includes a technical amendment providing about \$3.0 million NGF each year in additional appropriation for the applications and support the agency provides to the portals for agencies such as the Governor's Office, Social Services, and other agencies. The source of the nongeneral funds is from charges for the services rendered.
- ***Provide Funding for eGov Implementation.*** Provides \$1.0 million NGF the first year and \$535,697 NGF the second year for offerings through the Virginia.gov web portal, hosting services, and other operating and maintenance costs. The existing contract for these services is expiring and this funding will be used for implementation of new contracts.
- ***Increase Funding for Wireless E-911 Program.*** Provides \$1.2 million NGF the first year and \$4.4 million NGF the second year to accommodate program growth due to increases in the number of wireless phone subscribers. The increased funding provides for local public safety answering point grants, technical assistance to localities, improvements in the statewide E-911 network, and operating expenses.
- ***Increase Funding for State Broadband Data and Development Grant.*** Includes \$432,093 NGF the first year in additional funding for the State Broadband Data and Development Grant for services that will be reimbursed by the Center for

Innovative Technology (CIT). CIT secured a grant from the National Telecommunications and Information Administration through 2015.

- ***Reduce Agency Position Level.*** Reduces the agency's position count by 15 NGF positions the first year and 14 NGF positions the second year to reflect a reduction in staffing due to the provision of information technology services by Northrop Grumman.
- ***Oversight of Unisys Transition.*** Includes language directing the Chief Information Officer to report annually on the progress toward discontinuation of the existing Unisys mainframe. Additionally, this language directs all agencies that have specific applications using the Unisys server environment to submit all budget requests related to the costs of migration from the Unisys platform to the Virginia Information Technologies Agency prior to submission to the Department of Planning and Budget, consistent with current provisions of the *Code of Virginia*.