

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB892

House of Origin ___ Introduced X Substitute ___ Engrossed
Second House X In Committee ___ Substitute ___ Enrolled

2. Patron: McDougle

3. Committee: General Laws and Technology

4. Title: **Information Technology Investment Board; approval of the development of certain major information technology projects.**

5. Summary: The Senate substitute bill, as amended by the House's Committee on Science and Technology, requires the Governor to provide funding for major information technology projects in the budget bill, as well as provide certain information about the projects, including but not limited to the total estimated cost, cost incurred to date, the Information Technology Investment Board (ITIB) assessment of the project, and project status as of the date of the budget bill submission to the General Assembly. In addition, the bill requires the ITIB to notify members of the Senate Finance Committee and House Appropriations Committee of any Board decision to terminate a major information technology project. The bill directs the Chief Information Officer (CIO) to determine that funding has been included in the budget bill prior to proceeding with the development of a major information technology project or related procurement.

6. Fiscal Impact: Indeterminate

7. Budget Amendment Necessary: No

8. Fiscal Implications: The impacts of the substitute bill and its amendments are indeterminate at this time. There are potential impacts to the Virginia Information Technologies Agency (VITA), the Department of Planning and Budget (DPB), the Department of Legislative Automated Systems (DLAS), and possibly to any state agency undertaking major projects.

VITA currently requires the bulk of the data requested by this bill to be provided by agencies upon seeking the ITIB's approval of their major projects. For this reason, VITA is the likely source for the data to be included in the budget bill. The bill would require the Project Management Division (PMD) within VITA, as primary staff support to the CIO and ITIB for governance and oversight of major information technology (IT) projects, to (1) establish supporting administrative procedures to ensure the information required in the budget bill is submitted to PMD by agencies; and (2) implement and coordinate communications between the ITIB and the House Appropriations and Senate Finance Committees. Development and implementation of auditable procedures by PMD is expected to have minimal impact on existing staff resources and thus can be absorbed within the existing budget and staffing of PMD.

DPB would be responsible for receiving the information from VITA, formatting it for inclusion in the budget bill, and any follow-up procedures associated with special handling of the data as it goes through the General Assembly processes administered by House and Senate staff. Depending on a variety of factors, the effort may be as simple as including a table in the budget bill, or there may be technological issues to overcome that cause more significant costs.

The listing of this information in the bill may present a number of problems. For example, programming may be needed at DPB or DLAS for the joint effort of producing the budget bill. Another example is that DPB may need to create and implement a new procedure to follow and track projects the current year and beyond. This may involve the assignment of project codes, chart of accounts considerations, or some other tracking mechanism to the projects for reporting purposes in the bill.

DLAS impacts are dependent on procedural conclusions driven by how the data is transmitted to them for production of the budget bill. There is no material impact if the project is added within a program to each agency in Part 1, or if a new item is added to Part 3 or Part 4 of the budget bill. DLAS expects that there will be an impact of up to 200 hours of existing staff time to modify the budget bill if a new Part 5 or Part 6 is created to address "Technology Proposals."

The fiscal implications for agencies with major projects to supply the information required in the budget bill are expected to be minimal.

- 9. Specific Agency or Political Subdivisions Affected:** Information Technology Investment Board, Virginia Information Technologies Agency, Department of Planning and Budget, and agencies undertaking major IT projects.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/23/2009 wfb

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