

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1034

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Byron

3. Committee: Passed Both Houses

4. Title: **Eliminate the Information Technology Investment Board and establish the Information Technology Advisory Council.**

5. Summary: The enrolled bill eliminates the Information Technology Investment Board (ITIB) and replaces it with the Information Technology Advisory Council (ITAC), which is established as a policy council under the Governor with the power and duty to advise the Chief Information Officer (CIO) and the Secretary of Technology (SOTech) on: (i) development of all major information technology projects; (ii) strategies and standards regarding state agency use of information technology; and (iii) the development of enterprise applications, application budgets, infrastructure expenditures, and an information technology (IT) strategic plan. The ITAC is composed of the SOTech (who will act as chairman), the CIO (who will act as vice-chairman), 10 agency representatives under each of the Cabinet Secretaries, and no more than two citizens to be appointed by the Governor. In addition to established duties, SOTech is responsible for the new ITAC and is assigned the power and duty to review and approve statewide technical and data standards as well as the statewide two-year strategic plan developed by the CIO. SOTech is also assigned the responsibility of developing the criteria and requirements defining major IT projects, including the analysis of each project's risk and complexity. Under the enrolled bill, the CIO will be appointed by the Governor, serves as required by the Governor and SOTech, and continues to oversee the operation of the Virginia Information Technologies Agency (VITA).

The enrolled bill contains other substantive provisions and includes numerous technical changes necessary to update obsolete references.

6. Fiscal Impact Estimates: FINAL.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: Fiscal impacts are indeterminate. VITA does not see any substantive staffing or funding implications associated with the elimination of the ITIB (VITA currently provides staffing to the board) and establishment of the ITAC (the bill calls for VITA to provide staffing to the council). Though the enrolled bill proposes several new monitoring and reporting activities, VITA expects to be able to absorb the new costs associated with this legislation. However, there are three areas of concern:

- The first change that will increase costs stems from required modifications to VITA's ProSight system, the Commonwealth's IT investments portfolio tool, to accommodate the new reporting requirements. VITA provides a rough estimate of work at a one-time amount approaching \$25,000.
- Second, the bill assigns approval responsibilities to SOTech for solicitations, contracts, and policy that is currently reviewed and approved by the CIO. The bill adds SOTech with responsibilities to review the procurement of major IT projects, recommend and rank all procurements involving major IT projects, and terminate an IT project or related procurement. It is not known if the SOTech would want information similar to that currently required by the CIO, or if a separate set of requirements for the secretary might emerge. If the latter were to occur, VITA states that current administrative and analytical resources are not likely to be adequate and that an additional half-position in staffing, and associated funding, may be in order.
- And third, VITA expects a new risk management program must be implemented and operated under the bill. To be effective, a risk management program must adequately capture crucial organizational, operational and architectural data from participating entities. Data must be analyzed, prioritized, and reported such that significant IT security gaps are highlighted and the associated risk mitigated over time. To date, VITA has been unable to accurately predict how this may impact existing security workload and staffing.

SOTech does not expect any fiscal impact beyond those expressed by VITA.

9. Specific Agency or Political Subdivisions Affected: VITA, SOTech, Joint Legislative Audit and Review Commission, and Department of Planning and Budget.

10. Technical Amendment Necessary: None.

11. Other Comments: The bill is identical to the enrolled bill SB236.

Date: 3/4//2010 wfb

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