

## Department of Planning and Budget

### 2015 Fiscal Impact Statement

**1. Bill Number:** SB674

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

**2. Patron:** Martin

**3. Committee:** General Laws and Technology

**4. Title:** Virginia Information Technologies Agency; email archiving.

**5. Summary:** Requires any state agency in the executive branch of government that receives email services from VITA to also utilize email archiving services provided by VITA.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Indeterminate, see Item 8.

**8. Fiscal Implications:** According to the Virginia Information Technologies Agency (VITA), there are approximately 59,000 email accounts across its state agency customers. Out of those accounts, approximately 10,900 email accounts already utilize hosted mail archiving (HMA) as described in SB674.

The current price for HMA is \$5.49 per month for each mailbox. The cost to provide this service to the remaining 48,100 email accounts is \$3.2 million per year. VITA believes that the per unit price of HMA may go down as the number of customers increases, but has not received confirmation from the incumbent vendor.

Currently, non-HMA email accounts use Microsoft Outlook which contains a set storage amount per mailbox. Once a user reaches this limit, messages must be saved in a personal folder called a "pst file" or deleted until the user is again under the limit. Pst files are saved on an agency's network drive and contribute to an agency's monthly storage costs. VITA offers different costs for different types of storage. Currently, the most common storage types average \$2.75 per gigabyte (GB) per month. If each of the 48,100 email accounts without HMA saved one gigabyte of email on the network drive, the expected cost would be \$1.6 million. If these accounts were converted to HMA, this cost would be avoided as HMA accounts would retain all emails at the flat monthly rate per mailbox of \$5.49.

VITA does not have good data on how much email is retained in pst files across the enterprise. Emails can vary widely in size depending on file attachments and in frequency depending on the user. Email retention can also vary and may depend on the agency's specific retention schedule. According to the Library of Virginia's General Schedule for

Administrative Records retention, scheduled retention periods for correspondence (including email) varies from permanent retention for agency head correspondence and correspondence of a historically significant nature, three years for division head correspondence, or zero years after the correspondence is no longer administratively useful for routine, administrative messages. Without better knowledge of user email retention habits, it is indeterminate whether HMA or the current practice is more cost effective in the long term.

**9. Specific Agency or Political Subdivisions Affected:** All state agencies that utilize VITA provided email services

**10. Technical Amendment Necessary:** Some agencies may have restrictions on using hosted mail archiving due to data storage restrictions required by their federal cognizant agency. For instance, the Internal Revenue Service (IRS) has certain restrictions on how taxpayer data may be stored. The bill as currently written does not create an exemption process for agencies that may not be allowed to use HMA due to federal regulations.

**11. Other Comments:** None.

C: Secretary of Technology

Date: January 23, 2015

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