

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1115

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: McPike, J.

3. Committee: General Laws and Technology

4. Title: State Police, Department of; development, management, and operation of information technology.

5. Summary: Exempts the Department of State Police (VSP) from the statutory requirement that the Virginia Information Technologies Agency (VITA) develop, manage, and operate the information technology (IT) used by executive branch state agencies. The bill allows VSP to operate its own IT, but does not exempt VSP from oversight by VITA.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8 below.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	\$5,935,000	16	GF
2019	\$6,433,180	16	GF
2020	\$6,985,286	16	GF
2021	\$7,334,486	16	GF
2022	\$5,878,036	16	GF
2023	\$5,012,786	16	GF

8. Fiscal Implications: A consultant hired by VSP prepared a report in 2015, which indicated an estimated five-year cost of \$39.5 million for VSP to separate from VITA, and thereby provide its own IT services independently of VITA. Of the \$5.9 million for FY 2018, \$2.5 million would be spent on enterprise security and management tools, \$2.3 million would be spent on staff costs (contract and full-time employees), and \$500,000 would be spent on construction and leased space.

The Governor's introduced budget includes an additional \$5,935,000 and 16 positions for VSP to enable it to manage its own IT services independently.

9. Specific Agency or Political Subdivisions Affected: Department of State Police and Virginia Information Technologies Agency.

10. Technical Amendment Necessary: No.

11. Other Comments: The bill would allow VSP to operate its own IT services, instead of having those services provided by VITA. This would require VSP to expend funds to acquire and operate security and management tools, computers, networks, and data centers, along with associated IT services such as email. Because VSP has not “transformed” to the standard IT services provided by VITA, these costs represent additional expenditures required to update and then maintain the IT services used by VSP. Accordingly, the costs identified above are in addition to the funds VSP currently has to pay VITA for IT services, and thus represent the additional cost if separation is approved. It is expected that VSP’s fees owed to VITA will decrease as it reduces services provided by VITA, but it is impossible to estimate the rate at which those fees will decrease in future years. The bill also requires VITA to provide VSP “with technical assistance upon request,” but this assistance would be in the form of a work request or MOU with accompanying fees payable by VSP.