

Technology

Adopted Amendments (\$ in millions)				
	FY 2015 Adopted		FY 2016 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Current Budget (Chapter 3, 2014 Special Session I)	\$11.0	\$382.5	\$11.0	\$400.0
Increases	0.2	1.2	0.0	0.7
Decreases	<u>(0.0)</u>	<u>(3.6)</u>	<u>(0.1)</u>	<u>(16.7)</u>
\$ Net Change	0.2	(2.4)	(0.1)	(16.0)
Chapter 665 (HB 1400, as Adopted)	\$11.2	\$380.1	\$10.9	\$384.0
% Change	1.8%	(0.6%)	(0.9%)	(4.0%)
Central Account Reversions	(3.0)	0.0	(0.7)	0.0
% Change	(27.4%)	0.0%	0.0%	0.0%
FTEs	31.00	245.00	31.00	244.00
# Change	0.00	(10.00)	0.00	(11.00)

- **Innovation and Entrepreneurship Investment Authority**
 - *Designate Existing Program Balances in Support of Cyber Security.* Authorizes the redeployment of previously appropriated balances in support of Virginia Cyber Security Commission recommendations. The Commission has yet to make any formal recommendations.
 - *Improve Transparency in Annual Reporting.* Includes language adding additional detail to the Authority's annual reporting requirements to increase budget transparency regarding CIT's operations, including information regarding grants and investments, sales of equity positions, salaries, rent costs, and cash balances by funding source. This language, modeled on the reporting requirements of the Virginia Economic Development Authority, is consistent with legislation passed by the 2015 General Assembly.

- ***MACH 37 Funding.*** Includes language to allow the Center for Innovative Technology to use up to \$2.0 million of existing funding provided to the Commonwealth Research and Commercialization Fund to support MACH 37 cybersecurity operations, should the private funding campaign fail to secure its entire \$3.0 million requirement by July 1, 2015. The fundraising campaign was delayed by one year.
- ***Authorize Line of Credit.*** Language in Part 3 of the budget establishes a \$2.5 million line of credit for the Innovation and Entrepreneurship Investment Authority as a temporary cash flow advance to be repaid by June 30 of any year in which funds are drawn. Approval by the Secretaries of Finance and Technology is required for access to the line of credit.

Central Account Reductions

- ***Fund FY 2015 GAP Program with Existing Balances.*** Reduces the appropriation for the Growth Accelerator Program by \$2.0 million GF the first year and supplants program commitments with an equal amount from prior year program balances. At the end of FY 2014, the Center for Innovative Technology had a total asset balance of approximately \$7.0 million, of which \$2.6 million was not designated for specific program purpose.
- ***Fund Modeling and Simulation Program with Existing Balances.*** Reduces the appropriation for the modeling and simulation program by \$500,000 GF the first year and instead utilizes a like amount from program balances. Additional language is provided to authorize the use of the program funds to advance the unmanned systems industry in the Commonwealth. The modeling and simulation program had \$576,000 in prior year balances for this activity at the end of FY 2014.
- ***Additional Central Account Savings Strategies.*** Includes reductions of \$411,000 GF the first year and \$576,000 GF the second year from a series of smaller savings strategies including reductions in scope of work with the MITRE Corporation, Lockheed Martin, and a cybersecurity conference.

- **Virginia Information Technologies Agency**

- ***Implementation of JLARC Recommendations.*** Includes a series of amendments which implement recommendations from the 2014 JLARC report “Virginia’s Information Technology Governance Structure.” Included in these actions is language to: 1) require the Information Technology Advisory Council to develop a proposal for increasing the involvement of customer agencies in the planning for the replacement of managed infrastructure service provided by Northrop Grumman; 2) improve agency involvement in the governance decisions affecting

multiple stakeholders; 3) require the Chief Information Officer to review and approve any contractual agreements made pursuant to the Enterprise Applications Master Services Agreement with CGI Technologies; and 4) establish a stakeholder workgroup led by the Division of Legislative Services to propose any necessary changes to the *Code of Virginia* to streamline and clarify the information technology governance structure.

- ***Adjust Funding for Vendor Pass-Through Payments.*** Reduces by \$11.9 million NGF the second year vendor pass-through payments to reflect a decreasing utilization forecast for desktop and end-user services offset by forecast increases in other service areas.
- ***Provide Funding Support for the Development of IT Sourcing Strategy.*** Includes an increase of \$550,000 NGF the first year for the development of an information technology sourcing strategy in preparation of the expiration of the Northrop Grumman contract, including contract support of subject matter and legal expertise. The funding will be recovered across VITA's internal service funds.
- ***Capture Savings from Personnel Reductions.*** Includes reductions totaling \$3.5 million NGF the first year and \$4.8 million NGF the second year and the reduction of 14.0 FTE across multiple service areas.
- ***Change Method for Reporting of Major Information Technology Projects.*** Eliminates the requirement that the Appropriation Act contain itemized reporting of the status of agency systems development projects. The Commonwealth currently has over \$400.0 million in information systems under development. VITA indicates that preparation of the report involves a great deal of staff time and resources, and that the demand for this information has decreased. The reporting will continue to be produced electronically on a smaller scale with more targeted research and analysis.

Central Account Savings Strategies

- ***Revert Internal Service Fund Balances.*** Reverts a total of \$4.2 million in NGF balances from across VITA maintained Internal Service Funds. The proposed reversion reflects nongeneral fund cash balances in excess of anticipated federal funding recoveries and a 60 day working capital reserve fund.
- ***Capture Savings from Personnel Reductions.*** Includes savings of \$1.2 million NGF the first year and \$1.4 million NGF the second year from a series of personnel-related strategies including the elimination of 13.0 FTE. Of these positions, 10.0 FTEs were authorized in Chapter 3 for data security and risk management that have not been filled.

- *Additional Central Accounts Reductions.* Provides a series of additional reduction strategies that result in savings of approximately \$200,000 NGF the first year and \$559,000 NGF the second year.