

Technology

Adopted Amendments				
(\$ in millions)				
	FY 2017 Adopted		FY 2018 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Chapter 780, 2016 Session)	\$14.9	\$405.1	\$14.5	\$399.0
Increases	0.0	0.0	0.0	2.8
Decreases	<u>(0.4)</u>	<u>(3.4)</u>	<u>(2.3)</u>	<u>(14.3)</u>
\$ Net Change	(0.4)	(3.4)	(2.3)	(11.5)
Chapter 836 (HB 1500, as Adopted)	\$14.5	\$401.6	\$12.2	\$387.6
% Change	(2.8%)	(0.9%)	(15.9%)	(2.8%)
FTEs	21.00	218.00	7.00	234.00
# Change	0.00	(12.00)	(12.00)	4.00

- **Innovation and Entrepreneurship Investment Authority**
 - *Designate Existing Program Balances for One-Time Savings.* Redirects and utilizes returns on previous investments made by the Center for Innovative Technology, on behalf of the Commonwealth of Virginia, through the Growth Accelerator Program. These one-time savings were identified as part of the agency reductions requested by the Governor for FY 2017 and total \$224,404 GF.
 - *Designate Existing Program Balances for One-Time Savings.* Utilizes returned or unused funds in the Commonwealth Research Commercialization Fund for FY 2017 as part of statewide agency reductions requested by the Governor in the amount of \$200,018 GF.
 - *Reduce Discretionary Funding for Cyber Commission.* Reduces the second year funding appropriated to implement the recommendations of the Governor’s cyber security commission by \$100,000 GF. Of this funding, half was reappropriated to cover the anticipated Corrections cost of Chapter 562 of the 2017 Acts of Assembly (HB 1815).

- *Reduction in Base Operating Expenditures.* Identifies savings of \$150,000 GF in administrative costs through implementation of improved management efficiencies to reduce annual base operating expenses.
 - *Modify GAP Program Language.* Changes the requirements for assessing the level of return on investment achieved through investments in the Growth Accelerator Program to take a more pragmatic and contemporary approach to private-to-public funding ratios in the program.
 - *Improve Utilization of Program Funds.* Includes language preventing the charge of indirect costs associated with administration and overhead to program funds, including but not limited to the following programs: Innovation and Entrepreneurship Measurement System, broadband, unmanned systems, Cyber Security Commission, and Information Sharing and Analysis Organization, unless approved by the Governor.
- **Virginia Information Technologies Agency**
 - *Adjust Funding for Vendor Pass-Through Payments.* Reduces estimated spending by \$7.8 million NGF the second year for vendor pass-through payments to reflect the most recent forecast of state agencies' utilization in various service areas.
 - *Adjust Revenues and Transition Activities.* Adjustments in revenues for the Shared Security Center and the transition timeline activities result in combined NGF savings of approximately \$3.4 million in FY 2017 and \$3.5 million in FY 2018, as well as a personnel reduction of 12.0 FTE for the biennium.
 - *Management of Cloud-Based Services.* Continues a program authorized in Chapter 780 of the 2016 Acts of Assembly to evaluate the needs of the Commonwealth in relation to cloud-based services. This appropriation, in the amount of \$0.6 million NGF, continues the program under an internal service funding model and provides for 4.0 FTE.
 - *Expansion of Bandwidth Capacity.* Includes two separate FY 2018 NGF appropriations totaling \$360,000 to accommodate the requisite network bandwidth and bandwidth needs of the Capitol Square Metropolitan Area Network and Capitol Square Area that are forecast to reach capacity next year. These are both one-time and continuing costs that will be incorporated into ISF calculations.
 - *Software Licenses.* Provides funds to meet software licensing costs of the Commonwealth, including renewals and security authentication, in two FY 2018 NGF appropriations totaling \$1.6 million. These are periodic and continuing costs that will be incorporated into ISF calculations.

- ***Provide Funding to Transition to New IT Environment.*** Transfers \$2.0 million from FY 2018 GF to FY 2018 NGF in order to place future fiscal obligations of this nature upon the internal service fund in the new IT environment. ISF rate adjustments should be in place in FY 2018 to capture revenue required to support these previous GF obligations and the new process would begin paying out of NGF in FY 2019.
- ***Adjust Revenues for Employee Compensation Action.*** Increases projected ISF revenues by \$0.4 million NGF to accommodate the state employee base compensation adjustment of 3 percent for the VITA employees.
- ***Capture Savings from Reduced Services.*** Includes reductions of \$5.3 million NGF in the second year as utilization of the Medicaid-related IT platform is reduced. This somewhat independent platform will transition to the new IT environment, and may see an increase in service utilization in the future.

Central Appropriations

- ***Increased Line of Credit.*** Increases the agency line of credit from \$60.0 million to \$75.0 million to offset anticipated funding needs related to the transition currently underway from the existing statewide IT contract environment to the new model.