

Technology

The Governor's proposed amendments for the Office of Technology for FY 2010 include general fund reductions totaling \$2.3 million and nongeneral fund reductions totaling \$3.7 million. The proposed general fund reductions include \$1.0 million from the implementation of the Governor's September 2009 Budget Reduction Plan and \$1.3 million in reduced costs for information technology services and the overhead associated with those services. The proposed nongeneral fund reductions include the transfer of an additional \$2.0 million in Wireless E-911 funds to the Compensation Board for support of sheriffs' dispatchers and the elimination of \$1.7 million associated with development and maintenance of the Virginia Election and Information Registration System (VERIS). Responsibility for the maintenance of this system has been transferred to the State Board of Elections.

The proposed general fund appropriation for the Office of Technology during the 2010-2012 biennium totals \$8.8 million, representing a reduction of \$7.6 million when compared to the secretariat's current appropriations in Chapter 781 of the 2009 Acts of Assembly. General fund reductions include \$2.3 million from the continuation of the Governor's September 2009 Budget Reduction Plan and \$4.9 million from continuation of reduced costs for information technology services and overhead charges. The proposed nongeneral fund appropriation for the secretariat, totaling \$94.8 million, represents an overall reduction of \$5.6 million over Chapter 781.

The secretariat's nongeneral fund appropriation includes increased spending of \$4.9 million that is offset by reductions totaling \$10.5 million. The largest nongeneral fund spending increase is \$3.4 million for repayment of the Enterprise Applications Division's working capital advance. This advance is supporting the development of enterprise accounting and budgeting systems. The source of the funding for this repayment is from durable medical equipment procurement savings that otherwise would be deposited into the general fund. Nongeneral fund reductions include \$3.5 million from the elimination of the appropriation for VERIS, \$4.0 million in additional transfers from the Wireless E-911 Fund to support the costs of sheriffs' dispatchers, and \$3.0 million in revenue reductions and other transfers from the Wireless E-911 Fund and geographic information system services.

HB/SB 29

- **Innovation and Entrepreneurship Investment Authority**
 - *Governor's September 2009 Budget Reductions.* Includes general fund savings of \$651,250 in FY 2010 from reductions in funding for equity investments in Virginia-based technology and life science companies and funding for technology-based research.
- **Virginia Information Technologies Agency**
 - *Governor's September 2009 Budget Reductions.* Includes general fund savings of \$377,088 in FY 2010 from the elimination of organizational memberships and

subscriptions, reduced use of consultants for technology services, reduced transition expenses for Chief Information Officer, and the elimination of a technology governance position.

HB/SB 30

- **Secretary of Technology**
 - *Consolidate Support Positions in the Cabinet Funding.* Includes a general fund reduction of \$46,493 in both FY 2011 and FY 2012 from the elimination of a staff position. However, there is no corresponding reduction in the actual employment level authorized.
 - *Establish Line of Credit for Productivity Investment Fund Projects.* Includes a line of credit totaling \$10.0 million is established to fund Productivity Investment Fund projects previously funded with general funds in Central Appropriations.
- **Innovation and Entrepreneurship Investment Authority**
 - *Governor's September 2009 Budget Reductions.* Continues the on-going strategies contained in the September 2009 Reduction Plan from the reduction in funding for equity investments in Virginia-based technology and life sciences companies and the reduced funding for technology-based research activities. Includes general fund savings of \$651,250 in both FY 2011 and FY 2012.
- **Virginia Information Technologies Agency**
 - *Governor's September 2009 Budget Reductions.* Continues the on-going strategies contained in the September 2009 Reduction Plan from the elimination of organizational memberships and subscriptions, reducing transition expenses for the Chief Information Officer, using existing staff rather than consultants to develop information technology strategic plans, perform agency outreach, and integrate the Commonwealth's IT infrastructure and applications, and reductions in technology governance. In combination, these strategies generated general fund savings of \$497,510 in FY 2011 and FY 2012.
 - *Reduce Information Technology Expenses.* Includes general fund savings of \$953,565 in FY 2010, and slightly more than \$1.0 million in both FY 2011 and FY 2012 from reductions in information technology service rates, and a reduction in information technology surcharges. These savings will be captured from affected general fund agencies through a reversion clearing account. In addition, the strategy produces nongeneral fund savings of \$365,982 in FY 2011 and FY 2012, which will be captured through a transfer to the general fund.
 - *Reduce Overhead Charges for Information Technology Services.* Produces general fund savings of \$344,909 in FY 2010 and \$1.4 million in FY 2011 and FY 2012 from implementation of administrative efficiencies, which will reduce the agency's

- overhead charges to customers for services. These savings will be captured from affected general fund agencies through a reversion clearing account. In addition, the strategy produces nongeneral fund savings of \$587,441 in FY 2011 and FY 2012, which will be captured through a Part 3 transfer.
- ***Reduce Nongeneral Fund Appropriation.*** Eliminates an appropriation of \$1.8 million NGF in both FY 2011 and FY 2012 provided to the Enterprise Applications Division for the Virginia Election and Registration Information System. Responsibility for this system has been transferred to the State Board of Elections.
 - ***Transfer Wireless E-911 Funds to Support Sheriff Dispatchers.*** Proposes to increase by \$2.0 million the transfer from the Wireless E-911 fund to the Compensation Board to support sheriff's dispatchers in FY 2010, FY 2011, and FY 2012. This brings the total transfer in each year to \$8.0 million.
 - ***Reduce Wireless E-911 Program and Geographic Information Services.*** Includes nongeneral fund reductions of \$1.6 million in FY 2011 and FY 2012 reflecting reduced revenues and the planned transfer of \$125,000 each year to the general fund.
 - ***Provide Funding for Repayment of Working Capital Advance.*** Provides \$1.5 million NGF in FY 2011 and \$1.8 million NGF in FY 2012 toward repayment of the Enterprise Applications Division's working capital advance. This working capital advance is being used for development of new central accounting and budgeting systems. The source of the funding for repayment of the capital advance is savings from the reimbursements for durable medical equipment purchased by the Departments of Medical Assistance Services and Behavioral Health and Developmental Services. Typically, any savings from these items would be deposited into the general fund.
 - ***Adjust Appropriations for Special Services Fund.*** Provides an increase of \$459,528 NGF in FY 2011 and 2012 to reflect revenue and expenditure projections for the Acquisition Services Special Fund, which provides procurement, contracting services, and special services for those programs ineligible for federal reimbursement.
 - ***Provide Web Administration Costs.*** Provides \$330,000 in nongeneral fund support to re-establish the administrative costs for the vendor supporting the Commonwealth's web portal services.
 - ***Increase Line of Credit.*** Proposed an increase in the agency's available line of credit by \$10.0 million to a total of \$40.0 million.