

Technology

The proposed amendments for the Office of Technology include general fund reductions of \$103,247 in FY 2011 and a net general fund increase of \$822,881 in FY 2012. General fund reductions include canceling a \$50,238 contract for federal advocacy work supported by the Innovation and Entrepreneurship Investment Authority and the capture of turnover and vacancy savings and supplanting of general fund position costs by the Virginia Information Technologies Agency (VITA). In FY 2012, these reductions are continued and VITA will also supplant general fund nonpersonal services costs. FY 2012 reductions are offset by a general fund increase of \$1.0 million for VITA to restore reductions in overhead charges that had been double-counted during budget execution. These reductions in overhead charges were accounted for in VITA's new internal service rates. The proposed amendments include nongeneral fund reductions totaling \$1.5 million in FY 2011 and \$1.7 million in FY 2012. VITA's maximum employment level is reduced by 47 positions in FY 2011 and 50 positions in FY 2012.

While not part of the Governor's proposed amendments for the Office of Technology, the proposed amendments for Central Appropriations include an additional \$28.1 million for FY 2011 and \$30.2 million for FY 2012 in general fund support to assist state agencies in paying for services rendered by VITA and Northrop Grumman. In total, 73 general fund state agencies are affected by these additional appropriations, although 11 agencies represent 89 percent of the total proposed funding. These 11 general fund agencies include: the Departments of Environmental Quality; General Services; Accounts; Taxation; Forensic Science; Juvenile Justice; Corrections; Emergency Management; Health, Behavioral Health and Developmental Services, and Mines, Minerals, and Energy. The identified information technology funding needs for these 11 agencies total \$25.0 million in FY 2011 and \$27.0 million in FY 2012. There is no proposed funding source to support nongeneral fund agencies that have additional costs due to VITA and Northrop Grumman's services.

- **Innovation and Entrepreneurship Investment Authority**
 - *Eliminate Government Advocacy Contract.* Includes a reduction of \$50,238 GF in FY 2011 and \$50,000 GF in FY 2012 from eliminating a contract for federal government lobbying.
- **Virginia Information Technologies Agency**
 - *Eliminate Double-Counted Operational Efficiency Savings.* Proposes \$1.0 million GF in FY 2012 to offset operational efficiency savings double-counted during budget execution. These operational efficiency savings, affecting the overhead charges agencies pay for VITA administration costs, were incorporated into the internal service rates approved for VITA by JLARC this summer. This action eliminates the need to capture a similar amount from state agency budgets. Also included is Part 3 language eliminating the transfer of \$360,191 from nongeneral fund agencies to account for their share of these double-counted savings.

- ***Procure and Implement New Contract Management System.*** Proposes \$90,000 NGF to purchase a new contracts management system to better manage both state agency and internal VITA information technology equipment purchases. The source of the nongeneral funds for this contract management system is the agency’s special acquisitions fund.
- ***Capture Turnover and Vacancy Savings.*** Proposes general fund savings of \$30,000 in FY 2011 and \$80,000 in FY 2012 from the vacant Chief Applications Officer position. This position, which oversaw VITA’s Enterprise Applications Division, may be filled in the future, but the agency expects to downgrade the position and its associated salary.
- ***Use Education Grant to Partially Support General Fund Position.*** Proposes to recover \$46,018 GF in savings in FY 2012 by supplanting a portion of a general fund position’s salary and fringe benefits with a federal grant given to the Department of Education for the development of a Statewide Longitudinal Data System. The VITA position has been assigned to provide project management and leadership services to support the development of the education system. As part of an agreement between the two agencies, the Department of Education agreed to reimburse VITA for the position’s costs. During FY 2011, this reimbursement was made administratively.
- ***Fund Information Technology Oversight Positions with Nongeneral Funds.*** Includes general fund savings of \$23,009 in FY 2011 and \$11,412 in FY 2012 from reallocating a larger share of two positions’ salaries and fringe benefits from the general fund to the agency’s internal services fund. The two employees are assigned to the development of a statewide project management system to help agencies control the costs of planning and managing major information technology projects.
- ***Fund Nonpersonal Services Costs from Internal Services Fund.*** Proposes general fund savings totaling \$34,606 in FY 2012 from shifting expenses for items such as printing, organizational memberships, publications, office supplies, training, travel, and software from the general fund to the agency’s internal services fund. This action should have no impact on state agencies information technology costs.
- ***Eliminate Unsupported Nongeneral Fund Appropriation.*** Eliminates \$1.5 million in FY 2011 and \$1.8 million in FY 2012 in unsupported NGF appropriations. During the 2010 Session, the introduced budget proposed a Part 3 transfer of general fund savings from changes in the approved Medicaid rates for durable medical equipment as a means of repaying working capital advances that had been used to develop the new performance budgeting system and the Commonwealth’s share of a new accounting system. However, given the general fund budget shortfall, the General Assembly decided these general fund savings should continue to support general fund programs. This action eliminates the unsupported nongeneral fund appropriation caused by the continued use of

general fund savings for general fund purposes. This nongeneral fund appropriation would have been adjusted during the 2010 Session, but it was not an identified component of VITA's budget.

- ***Reduce Position Level.*** Includes a reduction in VITA's maximum employment level of 47 NGF positions in FY 2011 and 50 NGF positions in FY 2012. These position reductions reflect reorganizations to improve the agency's internal operating efficiency and staff attrition.
- ***Redistribute Wireless E-911 Appropriations for Service Costs.*** Includes language permitting the Wireless E-911 Services Board to use up to \$4.0 million of the dedicated special fund revenue supporting Emergency Communications Systems Development Services for wireless E-911 service costs as determined by the board.
- ***Permit Use of E-911 Funds to Support Virginia Geographic Information Network.*** Proposes language allowing \$1.8 million in both FY 2011 and FY 2012 in dedicated special fund revenue for the development of Emergency Response Systems to be used for developing the geographic information data supporting E-911 wireless services.
- ***Eliminate E-911 Services Board Membership Language.*** Eliminates existing language in the Appropriation Act describing the membership of the E-911 Services Board. The board's membership has been codified.
- ***Information Technology Systems Development Projects.*** Beginning in FY 2010, expenditures for systems development projects initiated by Executive Branch agencies and monitored by VITA's Information Technology Investment Management Division were required to be reported in the Appropriation Act. The proposed amendments remove two projects that have been completed and add an additional 26 systems development projects primarily in the Health and Human Resources, Public Safety, and Transportation secretariats.