

Technology

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2015 Proposed		FY 2016 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Current Budget (Ch. 3, 2014 Special Session I)	\$11.0	\$382.5	\$11.0	\$400.0
Proposed Increases	0.0	1.2	0.0	0.7
Proposed Decreases	<u>(0.0)</u>	<u>(3.6)</u>	<u>(0.1)</u>	<u>(16.7)</u>
\$ Net Change	0.0	(2.4)	(0.1)	(16.0)
HB 1400/SB 800, as Introduced	\$11.0	\$380.1	\$10.9	\$384.0
% Change	0.0%	(0.6%)	(0.9%)	(4.0%)
Central Account Reversions	(3.0)	0.0	(0.7)	0.0
% Change	0.0%	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.* Proposes to redeploy 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.* Proposes 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 is modeled on the reporting requirements of the Virginia Economic Development Authority.

Central Account Reductions

- ***Fund FY 2015 GAP Program with Existing Balances.*** Proposes to reduce the appropriation for the Growth Accelerator Program by \$2.0 million GF the first year and supplant 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.*** Proposes to reduce the appropriation for the modeling and simulation program by \$500,000 GF the first year and instead utilize 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.*** Proposes reductions of \$411,000 GF the first year and \$576,000 GF in 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**

- ***Adjust Funding for Vendor Pass-Through Payments.*** Proposes a reduction of \$11.9 million NGF the second year for 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.*** Proposes an increase of \$550,000 NGF first year appropriations 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.*** Proposes 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.*** Proposes to eliminate the requirement that the Appropriation Act contain itemized reporting the status of agency systems development projects. The Commonwealth currently has over \$400.0 million in information systems under

development. VITA reports 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.*** Proposes to revert 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.*** Proposes 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.*** Proposes a series of additional reduction strategies that result in savings of approximately \$200,000 NGF the first year and \$559,000 NGF in the second year.