

Technology

| Adopted Adjustments (\$ in millions) | | | | |
|--|------------------------|----------------|------------------------|----------------|
| | FY 2017 Adopted | | FY 2018 Adopted | |
| | <u>GF</u> | <u>NGF</u> | <u>GF</u> | <u>NGF</u> |
| 2016-18 Base Budget, Ch. 665 | \$10.9 | \$384.0 | \$10.9 | \$384.0 |
| Increases | 5.1 | 21.2 | 4.4 | 15.1 |
| Decreases | (1.1) | (0.1) | (0.8) | (0.1) |
| \$ Net Change | 4.0 | 21.1 | 3.5 | 15.0 |
| Chapter 780 (HB 30, as Introduced) | \$14.9 | \$405.1 | \$14.5 | \$399.0 |
| % Change | 36.6% | 5.5% | 32.2% | 3.9% |
| FTEs | 21.00 | 230.00 | 19.00 | 230.00 |
| # Change | (10.00) | (14.00) | (12.00) | (14.00) |

- **Innovation and Entrepreneurship Investment Authority**

- *Adjust Funding for Central Accounts.* Includes a reduction of \$0.6 million GF in each year to distribute central reduction actions approved in Chapter 665 of the 2015 Acts of Assembly.
- *Cyber Security Information Sharing.* Provides an increase of \$750,000 GF over the biennium to support the development of an Information Sharing and Analysis Organization (ISAO) for the sharing of cyber threat information between public and private sector organizations. Language requires reporting to the Chairmen of the House Appropriations and Senate Finance Committees on the establishment and progress towards implementation of the ISAO by November, 2016.
- *Center for Innovative Technology (CIT) Complex.* Language directs the Department of General Services to declare as surplus the Mid-Rise Building and surrounding parcels of the CIT Complex. Proceeds from the disposition of the real property are directed to be deposited to the Virginia Research Investment Fund established by Chapter 775 of the 2016 Acts of Assembly (HB 1343). The proceeds are specifically authorized for deposit to the portion of the Fund that shall be managed as an investment by the Virginia Retirement System. Further, the Innovation and Entrepreneurship Investment Authority is required to manage

and maintain the Mid-Rise Building at a level that satisfies existing lease agreements and meets Class B office standards. Additionally, the language requires the IEIA to make all building records available to the Department of General Services and require IEIA to comply with *Code of Virginia* provisions related to the conveyance and disposition of real property. Finally, a maintenance reserve appropriation of \$0.1 million in each year is included in Part 2 for compliance with these requirements.

- ***Enhanced Reporting on Compensation Actions.*** Language is included that requires the Authority to report any compensation actions, including the award of one-time bonuses, to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees at least 90 days prior to any action.
- ***Transfer of Commonwealth Research Commercialization Fund.*** The existing appropriation of \$2.8 million GF in each year for the Commonwealth Research Commercialization Fund is transferred from the Economic Development Incentive Payments holding account to the Authority. The IEIA has served as the awarding body for these funds since the program’s inception.
- ***Unmanned Aerial Systems Commercial Center of Excellence.*** Provides \$0.9 million GF over the biennium for further development of Commonwealth commercial expertise in unmanned systems. The intent of the program is to develop a private-sector core of companies affiliated with the existing research strengths of the Mid-Atlantic Aviation Partnership and the Virginia Commercial Spaceflight Authority. A separate action under the Virginia Commercial Spaceflight Authority provides \$500,000 NGF for additional physical improvements to the Wallops Island Unmanned Systems Runway in support of an Air Intermediate Maintenance Department and other land-based support structures.
- ***MACH 37 ® Cybersecurity Accelerator.*** Includes an additional \$500,000 GF the first year to continue the public support of the limited liability company known as the MACH 37 ® Cybersecurity Accelerator. The appropriation is contingent upon the submission of an operating plan demonstrating the program to be self-sufficient beyond FY 2017. This program was intended to be self-sufficient from additional private sector partnerships with the LLC, however private sector support has not occurred in a way that allows the program to operate as envisioned.

- **Virginia Information Technologies Agency**

- ***Adjust Funding for Vendor Pass-through Payments.*** Provides an increase of \$6.0 million NGF the first year and \$1.5 million NGF the second year for vendor pass-through payments to reflect projected increases in state agency utilization of data center and desktop and end user services, offset by decreased utilization of other service areas and anticipated reductions in pass-through payments following the transition of select service areas to new vendors.
- ***Early Disentanglement of Select IT Services.*** Includes operating funds and staff and an increased line of credit to support anticipated costs of transitioning to new vendors for internal financial applications, software licensing, email messaging, and mainframe services, as follows:
 - ***Information Technology Transition Costs.*** Provides \$4.5 million NGF the first year and \$5.6 million NGF the second year and 17 positions for staff and other anticipated costs to transition select information technology infrastructure services.
 - ***Increased Agency Line of Credit.*** Includes an increase of \$20.0 million in the agency's line of credit, from \$40.0 million to \$60.0 million, to cover anticipated and unanticipated expenses associated with transition of select service areas.
- ***Consolidation of Reporting Requirements.*** A series of language amendments consolidates existing annual reporting requirements of the Virginia Information Technologies Agency and increases the frequency of reporting on disentanglement related activities from annually to quarterly.
- ***Remove eGov Implementation Funding.*** Removes one-time funding of \$535,697 NGF the second year due to completion of eGov system implementation with the Department of Motor Vehicles.
- ***Consolidate Website Management Systems.*** Includes \$900,500 NGF the first year and \$670,000 NGF the second year to fund consolidation of three website content management platforms following the end of vendor support for two systems. The included funding supports ongoing costs.
- ***Evaluation of Cloud-Based Technology Services.*** Provides \$343,706 GF the first year and 2 positions to evaluate providers of cloud-based technology services for use by state agencies. The funds will be used to develop standards and guidelines for cloud-based services and recommend a funding model for this service area.

- ***Increase Capitol Square Internet Bandwidth Capacity.*** Adds \$1.3 million NGF the first year in one-time funding to expand internet bandwidth in the Capitol Square area. Capacity utilization regularly hits 100 percent of bandwidth, which slows or interrupts the connection for all users. It is estimated that increased capacity will lower ongoing costs of providing bandwidth by \$94,000 NGF beginning in the second year.
- ***Information Technology Shared Security Center.*** Provides \$312,515 GF and \$4.0 million NGF the first year and \$274,092 GF and \$4.2 million NGF the second year and 14 positions to fund the creation of an information technology shared security center. Due to increased concerns with security of state agency IT systems, it is proposed the agency provide IT security audit, IT security officer, and vulnerability scanning services centrally for agencies that elect to participate in the shared security center. A companion action in Central Appropriations provides \$3.0 million GF the first year and \$3.2 million GF the second year to agencies for information technology auditors and security officers in order to comply with the Commonwealth’s information security standard. Agencies are authorized to meet these requirements with their own staff, or to participate in the shared security service center.
- ***Information Technology Security Tools.*** Adds \$1.7 million NGF the first year and \$725,000 NGF the second year for the purchase and upgrade of IT security software and hardware.
- ***Security Architect.*** Includes \$154,371 NGF each year and 1 position to create a new security architect position within the agency. The security architect will be responsible for ensuring that systems, networks, and applications are implemented and maintained in a secure manner through the development and documentation of policies, standards, and baselines for state agencies.
- ***Cyber Virginia Portal.*** Provides \$150,000 NGF each year to support maintenance costs of the Cyber Virginia web portal. The web portal provides a one-stop source of information for citizens and public and private entities for cyber-related jobs in Virginia, and cyber degrees and certifications available at Virginia colleges and universities.
- ***Convert Full-time Contractors to Classified Employees.*** Includes savings of \$113,296 NGF each year resulting from the conversion of 7 contractor positions to full-time classified positions within the agency.