Office of Technology

Overview

The agencies in the Technology secretariat have the role of making the Commonwealth a leader in the growth of the information technology industry, as well as fostering the efficient and effective use of technology to best serve state government.

Heralded as the Internet Capital of the World, Virginia today benefits from the Commonwealth's position at the heart of the global information economy. In private industry, Virginia is a major technology center for several industries, including semiconductor and other electronics manufacturing, biotechnology, commercial aerospace, systems integration, advanced materials, intelligent transportation systems, and wireless communications. Virginia government has also led the way in using technology to improve government and to bring that government to its citizens, with a technology infrastructure that enables fast, efficient, and accessible services. To maintain this effort, the Office of the Secretary of Technology is developing solutions and policies so that Virginia will continue to attract high technology firms.

The Governor is committed to ensuring that technology enriches the lives of all Virginians. It is his desire to include all people, of all walks of life, and of all regions of the Commonwealth in the Information Age by making sure that <u>all</u> Virginians will have access to the World Wide Web in their homes or a nearby computer center. To meet this challenge, initiatives are proposed to bridge the so-called "digital divide," the separation between technology "haves" and "have nots."

To meet this challenge, the Governor proposes $8.7 million to establish a competitive grant program to assist eligible community service organizations to make computers and Internet access to available to all Virginians. The funds will also be used to increase computer and Internet access at local libraries and to expand electronic resource materials for citizens. In addition, the Governor has directed the Department of Social Services to develop a plan for using Temporary Assistance for Needy Families (TANF) funds to address several areas of need, including up to $10 million each year to help eligible individuals obtain personal computers and have access to the Internet.

The Governor is also proposing an innovative, incentive-based program aimed at meeting some of Virginia's demands for technology workers. The Virginia Technology Internship

Program, a three-year program, will include tax incentives to both students and businesses. This program will provide a significant influx of experienced and committed workers into Virginia's technology workforce.

Additionally, the Governor is presenting an innovative plan to use technology to help solve some of Virginia's transportation challenges. He proposes a partnership between government and private employers by creating financial incentives that promote teleworking. Employers will receive an income tax credit for purchasing computer equipment and telecommunication services that allow their employees to telework.

Finally, the Governor proposes developing a computer-based instructional, remedial, and testing program at the high school level. Specifically, this initiative would provide: (1) adequate hardware for instructional, remedial, and testing programs that support the Standards of Learning (SOL), (2) Internet access for every classroom by 2003, (3) Local Area Network (LAN) capability in every high school by 2003, (4) the latest software applications from private vendors to provide instructional and remedial SOL training starting in 2001. In accompanying Budget Bill language, the Governor commissions a study to determine the feasibility of expanding this initiative into the lower grades.

Summary of recommended funding for Technology agencies

Agency	Fiscal year 2001			Fiscal year 2002		
	GF	NGF	All funds	GF	NGF	All funds
Secretary of Technology	0.6	0.0	0.6	0.6	0.0	0.6
Department of Information Technology	0.6	0.0	0.6	0.3	0.0	0.3
Department of Technology Planning	7.1	<0.1	7.2	12.1	<0.1	12.2
Innovative Technology Authority	13.1	0.0	13.1	32.8	0.0	32.8
Virginia Information Providers Network Authority	0.0	3.6	3.6	0.0	3.8	3.8
Total for Office of Technology	**21.5**	**3.6**	**25.1**	**45.8**	**3.8**	**49.7**

Dollars in millions. Figures may not add due to rounding. See "How to read the summary tables" on page 8.

Secretary of Technology

The Secretary of Technology is appointed by the Governor and assists the Governor in the management and direction of state government by providing guidance to the four agencies within the technology secretariat. The office receives no federal funds.

Recommended changes:

➤ **Handle increased workload in the office.** Additional funds to provide an office assistant to handle the demand for service. A year's operating experience for this new office shows that an additional support position is needed. For each year, $35,648 (GF) and one position.

➤ **Cover increased rent costs.** Additional funds to cover the increased cost of renting state-owned space for buildings located in the Capitol Square complex. This represents the first fee increase since 1995. These funds will provide this agency sufficient resources to cover the increased rent. For 2001, $1,496 (GF). For 2002, $1,827 (GF).

Department of Information Technology

The department manages a state-of-the-art voice and data telecommunications network linking over 1,200 state and local government locations. The department also operates one of the largest computer data centers on the East Coast, providing both shared mainframe and enterprise server services. The department enables its customers to achieve their goals by partnering with them to provide services that are cost-effective, timely, and of the highest quality.

The department's customers include state agencies and institutions of higher education, over 100 local governments, and a federal agency. Customer charges support the telecommunications network and computer center. These activities account for about 85 percent of the agency's spending. The agency does not receive any federal funds.

Recommended changes:

➤ **Enhance customer service and evaluation.** Adds funds to establish a customer service and service evaluation function. This proactive consultant approach will allow each agency to be assigned a single point of contact with the department. This contact will assist in identifying information, resources and services specific in support of their assigned agency's needs. This initiative will improve communication between the department and its customers, resulting in a better understanding of agency and information technology plans and requirements. For 2001, a sum sufficient estimated at $569,381 (NGF) and eight positions. For 2002, a sum sufficient estimated at $594,136 (NGF).

➤ **Address the increase in customer service demands.** Additional funds to ensure continued high quality of service delivery and to support expanding customer demand. The department also anticipates as cost per unit of service declines, demand for the department's information technology services will continue to increase. The funding covers 12 new positions and related support costs such as training, computer needs and travel. For 2001, a sum sufficient estimated at $711,664 (NGF) and 12 positions. For 2002, a sum sufficient estimated at $742,598 (NGF).

➤ **Improve timeliness and reduce cost of telecommunication services.** An increase in funds to expand in-house analysis of services, contracts, and marketing methods by hiring staff with telecommunication and contract skills. The objective of this initiative is to reduce service time and costs. For 2001, a sum sufficient estimated at $114,553 (NGF) and three positions. For 2002, a sum sufficient estimated at $229,109 (NGF).

► **Increase use of statewide information technology procurement.** Provides funds to support an enhanced technology procurement program that was moved from the Department of General Services to the Department of Information Technology. The department will fund the activity by recovering costs from users starting no later than January 1, 2002. This transfer of responsibility will allow Virginia's procurement process to keep pace with rapidly changing information technologies to better serve the Commonwealth. For 2001, $633,344 (GF) and six positions. For 2002, $313,673 (GF) and a sum sufficient estimated at $313,673 (NGF).

Department of Technology Planning

The department, formerly the Council on Information Management, was renamed effective July 1, 1999. The agency serves as staff to the Secretary of Technology in his role as the state's Chief Information Officer, ensuring that state government makes the best use of its growing investment in information technology. It also supports the Secretary in promoting the availability of technology for all citizens of the Commonwealth and in advocating a supportive environment for the growth of the technology industry in Virginia.

Working with the Secretary's multi-agency Council on Technology Services, the department develops policies, plans, and guidelines for the purchase and use of computers, software, and other technology by state agencies. In addition, the agency houses a geographic information network division, which fosters the creative use of geographic information systems (GIS) and oversees the development of a catalog of GIS data available in the Commonwealth. The department also assists Virginia-based small high technology firms in obtaining research and development funds from several federal programs available for such purposes. The agency does not receive any federal funds.

Recommended changes:

► **Increase resources to carry out new responsibilities.** Additional funds and positions to allow the agency to fulfill new duties assigned under the agency's 1999 enabling legislation. New responsibilities include planning, studies, surveys, forecasts, policy development, and monitoring of state agencies' technology plans and technology-related budget requests. For 2001, $896,162 (GF) and 10 positions. For 2002, $765,787 (GF).

► **Create shared geographic information database and website.** Adds funds for the Virginia Geographic Information Network to implement a database and website to be shared with state government and community partners. This state-of-the-art website will initially contain information on activities such as regional crime analysis, disaster response, public land and recreation, labor availability and analysis, and utility infrastructure analysis. For 2001, $843,029 (GF) and one position. For 2002, $481,779 (GF).

► **Create statewide digital base map systems.** An increase of funds to develop and maintain a consistent and highly accurate statewide digital map from aerial photographs upon which state agencies and local governments can build applications. For example, the Department of Transportation will use the map in highway planning, the Virginia Economic Development Partnership will use it in locating industry, and localities will use it to develop tax maps. The data base will be developed over four years with the initial funding deferred to 2002 so that the agency can develop a business plan that includes a strategy to partially recover the cost of systems and operations. For 2002, $3.1 million (GF).

► **Increase community access to computers and the Internet.** Additional funds for two of the Governor's priorities to increase community access to computers and the Internet: a grant program for community service organizations and "Infopowering the Commonwealth." The competitive

grant program will be developed and administered by the Secretary Technology. The grant program will assist eligible community service organizations make available computers and Internet access to citizens. "Infopowering the Commonwealth" refers to the initiative of the Library of Virginia to increase computer and Internet access at local libraries as well as expand electronic resource materials for citizens. For 2001, $3.5 million (GF). For 2002, $5.2 million (GF).

➤ **Establish technology internship program.** Adds funds to address the shortage of technology workers in the Commonwealth by implementing an internship program between students and long-term employers. Funds are also included to oversee the program. For 2002, $1.1 million (GF) and one position.

➤ **Develop and improve educational websites.** Adds funds for improving or developing two educational websites for parents and teachers. The first website will be developed for parents of K-12 children keyed to the Standards of Learning. It will assist parents in their children's education. The second website, which will be improved, is the First Lady's "Commonwealth of Knowledge." This website links successful lesson plans with the Standards of Learning for use by educators. Funds will be used to develop the websites and their content, and to develop instructions for school districts in how to effectively use these websites. For 2001, $410,000 (GF).

➤ **Adjust general liability premium funding.** Adds funds for the increase in the agency's general liability insurance premiums, which are based on its recent claims experience. For 2001, $45 (GF). For 2002, $52 (GF).

Innovative Technology Authority

The authority provides businesses with access to the state's technology resources and assists in attracting and retaining high-technology jobs and businesses through its nonprofit corporation, the Center for Innovative Technology. It mobilizes support for high-technology industries to commercialize new products and processes, including organizing assistance for small businesses and supporting selected industry sectors and regional high-technology efforts. It enhances and expands the research and development capabilities of Virginia's colleges and universities, including transferring technological advances to the private sector. It also capitalizes on the presence of federal laboratories within the Commonwealth.

Recommended changes:

➤ **Create a higher education research initiative.** Additional funds to create a Technology Competitiveness Fund. The fund will be used to increase the amount of research in technology and biotechnology at the state's public research universities, thus resulting in increased technological and economic development. The technology fund would have three components: matching funds to leverage public and private dollars, a program to upgrade national ranking of universities, and an industry inducement program. For 2002, $20 million (GF).

➤ **Establish technology industry event.** Funding to conduct a meeting to focus national and international attention on Virginia's technology assets and industries. The meeting will generate additional business for Virginia's technology industry and encourage businesses to locate into the Commonwealth. For 2001, $300,000 (GF).

➤ **Decrease funding for centers.** An adjustment in funding level to reflect the agency's actual support of various technology centers in the next biennium. For 2001, a reduction of $73,735 (GF). For 2002, a reduction of $117,247 (GF).

Virginia Information Providers Network Authority (VIPNet)

The authority was established by law in 1996 to expand and simplify the means by which Virginia's businesses and citizens could access available government information. The VIPNet provides Internet links to all state agencies and institutions of higher education, as well as to all local government websites. The VIPNet currently has formal agreements with over 40 state agencies and localities to provide or support their websites or provide specific web-based services. All of the authority's revenue comes from fees charged to users of premium services (for example, access to Department of Motor Vehicle records). The agency does not receive any federal funds.

Recommended change:

▶ **Expand website design, maintenance, and services for state agencies.** An increase in nongeneral funds to reflect additional revenues for the design and maintenance of additional websites and other web-based services for state and local agencies. Revenues are generated by user fees charged for such services. For 2001, $1.3 million (NGF). For 2002, $1.5 million (NGF).

Office of Technology

Detail Tables

	Fiscal Year 2001			Fiscal Year 2002		
	General	**Nongeneral**	**All Funds**	**General**	**Nongeneral**	**All Funds**
SECRETARY OF TECHNOLOGY						
FY 2000 appropriation	499,512	0	499,512	499,512	0	499,512
Technical adjustments to base	41,708	0	41,708	42,093	0	42,093
Adjusted base budget	541,220	0	541,220	541,605	0	541,605
Recommended funding changes:						
▶ Handle increased workload in the office	35,648	0	35,648	35,648	0	35,648
▶ Cover increased rent costs	1,496	0	1,496	1,827	0	1,827
Total recommended funding changes	37,144	0	37,144	37,475	0	37,475
Total recommended funding	578,364	0	578,364	579,080	0	579,080
Percent change	15.79%	0%	15.79%	15.93%	0%	15.93%
Position level:						
FY 2000 appropriation	5.00	0	5.00	5.00	0	5.00
Recommended position level changes	1.00	0	1.00	1.00	0	1.00
Total recommended positions	6.00	0	6.00	6.00	0	6.00
DEPARTMENT OF INFORMATION TECHNOLOGY						
FY 2000 appropriation	A sum sufficient			A sum sufficient		
Technical adjustments to base	0	0	0	0	0	0
Adjusted base budget	A sum sufficient			A sum sufficient		
Recommended funding changes:						
▶ Increase use of statewide information technology procurement	633,344	0	633,344	313,673	0	313,673
▶ Enhance customer service and evaluation	A sum sufficient			A sum sufficient		
▶ Address the increase in customer service demands	A sum sufficient			A sum sufficient		
▶ Improve timeliness and reduce cost of telecommunications services	A sum sufficient			A sum sufficient		
Total recommended funding changes	633,344	0	633,344	313,673	0	313,673
Total recommended funding	633,344	0	633,344	313,673	0	313,673
Percent change	N/A	N/A	N/A	N/A	N/A	N/A

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Position level:						
FY 2000 appropriation	0	307.00	307.00	0	307.00	307.00
Recommended position level changes	6.00	23.00	29.00	6.00	23.00	29.00
Total recommended positions	6.00	330.00	336.00	6.00	330.00	336.00

DEPARTMENT OF TECHNOLOGY PLANNING

	General	Nongeneral	All Funds	General	Nongeneral	All Funds
FY 2000 appropriation	3,291,549	20,000	3,311,549	3,291,549	20,000	3,311,549
Technical adjustments to base	(1,791,379)	1,609	(1,789,770)	(1,790,811)	1,609	(1,789,202)
Adjusted base budget	1,500,170	21,609	1,521,779	1,500,738	21,609	1,522,347
Recommended funding changes:						
► Adjust general liability premium funding	45	0	45	52	0	52
► Increase resources to carry out new responsibilities	896,162	0	896,162	765,787	0	765,787
► Create shared geographic information database and website	843,029	0	843,029	481,779	0	481,779
► Create statewide digital base map systems	0	0	0	3,066,630	0	3,066,630
► Increase community access to computers and the Internet	3,500,000	0	3,500,000	5,200,000	0	5,200,000
► Establish technology internship program	0	0	0	1,134,744	0	1,134,744
► Develop and improve educational websites	410,000	0	410,000	0	0	0
Total recommended funding changes	5,649,236	0	5,649,236	10,648,992	0	10,648,992
Total recommended funding	7,149,406	21,609	7,171,015	12,149,730	21,609	12,171,339
Percent change	117.20%	8.05%	116.55%	269.12%	8.05%	267.54%
Position level:						
FY 2000 appropriation	26.00	0	26.00	26.00	0	26.00
Recommended position level changes	(4.00)	0	(4.00)	(3.00)	0	(3.00)
Total recommended positions	22.00	0	22.00	23.00	0	23.00

INNOVATIVE TECHNOLOGY AUTHORITY

	General	Nongeneral	All Funds	General	Nongeneral	All Funds
FY 2000 appropriation	13,150,662	0	13,150,662	13,150,662	0	13,150,662
Technical adjustments to base	(250,000)	0	(250,000)	(250,000)	0	(250,000)
Adjusted base budget	12,900,662	0	12,900,662	12,900,662	0	12,900,662
Recommended funding changes:						
► Decrease funding for centers	(73,735)	0	(73,735)	(117,247)	0	(117,247)
► Establish technology industry event	300,000	0	300,000	0	0	0
► Create a higher education research initiative	0	0	0	20,000,000	0	20,000,000
Total recommended funding changes	226,265	0	226,265	19,882,753	0	19,882,753

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Total recommended funding	13,126,927	0	13,126,927	32,783,415	0	32,783,415
Percent change	(0.18%)	0%	(0.18%)	149.29%	0%	149.29%
Position level:						
FY 2000 appropriation	0	0	0	0	0	0
Recommended position level changes	0	0	0	0	0	0
Total recommended positions	0	0	0	0	0	0

VIRGINIA INFORMATION PROVIDERS NETWORK AUTHORITY

	General	Nongeneral	All Funds	General	Nongeneral	All Funds
FY 2000 appropriation	0	2,311,149	2,311,149	0	2,311,149	2,311,149
Technical adjustments to base	0	0	0	0	0	0
Adjusted base budget	0	2,311,149	2,311,149	0	2,311,149	2,311,149
Recommended funding changes:						
▸ Expand website design, maintenance, and services for state agencies	0	1,252,887	1,252,887	0	1,492,887	1,492,887
Total recommended funding changes	0	1,252,887	1,252,887	0	1,492,887	1,492,887
Total recommended funding	0	3,564,036	3,564,036	0	3,804,036	3,804,036
Percent change	0%	54.21%	54.21%	0%	64.60%	64.60%
Position level:						
FY 2000 appropriation	0	2.00	2.00	0	2.00	2.00
Recommended position level changes	0	0	0	0	0	0
Total recommended positions	0	2.00	2.00	0	2.00	2.00

TOTAL FOR OFFICE OF TECHNOLOGY

	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Grand total recommended funds	21,488,041	3,585,645	25,073,686	45,825,898	3,825,645	49,651,543
Grand total recommended positions	34.00	332.00	366.00	35.00	332.00	367.00