

**REPORT OF THE
CHIEF INFORMATION OFFICER OF THE COMMONWEALTH**

**Status on the Development of
an Internal Service Fund (ISF)
Rate Structure for the Virginia
Base Mapping Program (VBMP)**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

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October 1, 2006

The Honorable Timothy M. Kaine
Governor of Virginia
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219

The Honorable John H. Chichester
Chairman, Senate Finance Committee
Post Office Box 904
Fredericksburg, Virginia 22404

The Honorable Vincent F. Callahan, Jr.
Chairman, House Appropriations Committee
Post Office Box 1173
Fredericksburg, Virginia 22101

The Honorable Thomas K. Norment, Jr.
Joint Legislative Audit and Review Commission
Post Office Box 6205
Williamsburg, Virginia 23188

Gentlemen:

As required by Item 421 C of the Appropriation Act (attached), this is to provide a status on the development of an Internal Service Fund (ISF) rate structure for the Virginia Base Mapping Program (VBMP) to fully fund the acquisition of all work products directly related to digital orthophotography. This type of imagery provides geospatially accurate aerial photographs of all areas of the state.

Background

In 2001, the Wireless E-911 Services Board provided \$9.8 million to the Virginia Geographic Information Network (VGIN), a division of one of VITA's predecessor agencies, to acquire high resolution digital orthophotographic imagery for the entire Commonwealth. VGIN was able to fully fund the first digital orthophotographic effort with a one-time fund balance.

The Wireless E-911 Services Board needed this digital orthophotography product as a resource for local public safety answering points (PSAPs) who must be able to locate 9-1-1 callers with wireless devices. For that reason, within its initial investment, the Wireless E-911 Services Board also funded the development of a companion statewide digital road centerline (RCL) file that provides a single, integrated street file with addressing information compiled from over 150 source agencies throughout the Commonwealth.

The value of this data, which represents a snap shot in time, also degrades with time. With growth and development, the imagery provides a less and less accurate view of the environment and thus must be repeated every four years.

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While the Wireless E-911 program has continued to support the geospatial program, it can no longer fully fund the cost of a statewide update. As a result, when it was time to repeat the digital orthophotography in 2006, general fund appropriations were approved by the General Assembly to augment the annual Wireless E-911 funding, with the understanding that, via Item 421 C of the Appropriation Act, an ISF rate structure would be established to fund this effort in the future.

Costs

The projected costs to support the Commonwealth's geospatial program can be broken down into four initiatives:

- Road Centerline (RCL)
- Digital orthophotography (DO) imagery
- Geospatial Enterprise Platform (GEP) — i.e., the hardware, software and networking that provides the data to customer agencies
- Coordination of data sharing and development

Initiative	Cost
Road Centerline (RCL)	\$578,924
DO Imagery	\$1,863,113
Operating Costs	\$316,231
Coordination	\$157,449
Overhead*	\$165,163
Total Cost	\$3,083,020

*Overhead represents 6% of total existing costs

Approach

The Wireless E-911 fund will continue funding the existing level of financial support each year to the digital orthophotography initiative, thus reducing the amount of additional funding to be collected through the proposed Internal Service Fund to \$1,983,020.

Agency Consultation

In the past, VITA has provided GIS data and services at no cost to agencies due to the initial project being fully funded by the Wireless E-911 program (\$9.8 million) and the current project being funded by the Wireless E-911 program (\$1.6 million) and general fund appropriations (\$4.1 million). Since passage of the budget bill in June, VITA has consulted with state agencies using GIS data regarding the requirement to establish an Internal Service Fund rate for geospatial services.

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Though several agencies have indicated they were anticipating the imposition of fees, few agencies believe they have any capacity in their budget to add these costs and are planning on budget request amendments to support them. Natural Resources agencies, which are large consumers, have relatively small budgets, relying heavily on grants that are not a consistent source of funding. Other agencies, such as those in Health and Human Resources and Public Safety, rely heavily on grants that may have been viewed in the past as more stable but recently have been subject to reduced funding from the federal level.

Next Steps

With the costs of the program identified and agency input received, VITA will develop a final proposal for the rate structure and submit the plan to the Information Technology Investment Board and JLARC for approval in October 2006. VITA will publish this proposal and continue to meet with agencies to discuss and finalize the plan. Reactions will be documented and changes will be considered.

Though Item 421 C requires that the ISF rate structure be effective by July 1, 2008, the goal is to have it in place by July 1, 2007, with phased implementation. Phasing will allow funds to be collected for the digital orthophotography imagery project during FY2008 - sufficient to cover the cost of the next digital orthophotography in FY2010, also required in Item 421 C.

If you have any questions regarding this status report, please contact me at (804) 343-9002, or Steve Marzolf, Integrated Services Program Manager, at (804) 371-0015.

Sincerely,



Lemuel C. Stewart, Jr.
CIO and Chairman Wireless E-911 Services Board

Attachment

c: Mr. James F. McGuirk, II, Chairman Information Technology Investment Board

Attachment A:

Item 421 C of the 2006-2008 Appropriation Act

C. The Virginia Information Technologies Agency, in consultation with the state agencies that rely upon the products of the Virginia Base Mapping Program (VBMP), shall develop an internal service fund providing for an equitable rate structure supporting updates to the Commonwealth's base map and digital centerline files, the updates to which are to be undertaken every four years, beginning with the next scheduled update in fiscal year 2010. The Virginia Information Technologies Agency shall report on the development of this internal service fund rate structure and the agency's plans to fully fund the acquisition of all work products directly related to digital orthophotography to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Joint Legislative Audit and Review Commission by October 1, 2006. It is the intent of the General Assembly that the new internal service fund be effective by July 1, 2008.