



Legislature of the Virgin Islands

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POST AUDIT DIVISION

June 6, 2016

COMMITTEE ON FINANCE FISCAL YEAR 2017 BUDGET HEARING

BUREAU OF INFORMATION TECHNOLOGY

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BACKGROUND AND HISTORY

The Bureau of Information Technology (BIT) was established, within the Office of the Governor, in accordance with Title 3 Virgin Islands Code Section 10, December 2003, following a Legislative override of the Governor's Veto of Act No. 6634. This agency was established to develop a comprehensive technology strategy for the Government of the United States Virgin Islands (USVI) that supports and promotes the use of innovative technology solutions.

The Bureau is to be headed by a Director appointed by the Governor. It is the Director's responsibility to develop a Comprehensive Technology Strategy for the Government of the Virgin Islands which would be not less than five (5) years in duration and updated every two years.

The Director should also include programming and policies to support and promote the use of innovative information technologies within the territorial government as a means of:

- saving money
- increasing worker productivity
- improving governmental service to the public and
- demonstrating effective management tools

STRUCTURE AND PURPOSE

The Director recommends to the Governor, and the Legislature, changes needed in the Territory's policies to accomplish the purpose of this section.

The Legislation also established the Information Technology Task Force consisting of nine (9) members to include:

- the Director of the Bureau of Information Technology who shall serve as Chair;
- the Chief Technology Officer of the Legislature of the Virgin Islands or such other person appointed by the President of the Legislature;
- the Chief Technology Officer of the Territorial Court of the Virgin Islands or such other person appointed by the Presiding Judge of the Territorial Court;
- the Chief Technology Officer of the University of the Virgin Islands or such other person appointed by the President of the University;
- two (2) matriculated students majoring in computer information or computer science; one from each judicial district appointed by the Governor;
- three (3) representatives from telecommunications providers in the Territory to be appointed by the Governor provided that:
 - one (1) represents a local internet service provider
 - one (1) represents a local telephone service provider
 - one (1) represents a long distance telephone service provider

One of BIT's key responsibilities is auditing critical technology systems and assets in order to enable the Territory to achieve its goals and objectives. The allocation of appropriate resources remains a challenge in the successful completion of the comprehensive technology

plan. Nonetheless, the Bureau of Information Technology continues to perform the role of monitoring the allocation and use of Information Technology (IT) resources by reviewing for approval all IT purchases and providing technical consultation on planned technology initiatives. In collaboration with the Departments of Property and Procurement and Finance, BIT ensures proper and cost-effective maintenance of government assets.

The Bureau of Information Technology is also responsible for:

- the development of policies and standards to be followed in providing for the confidentiality of information.
- the development of policies necessary to ensure the security of Virgin Islands information and physical assets.
- the development of policies to provide for the preservation of information processing capability.
- coordination of research and identification of solutions or problems affecting information security.
- review and recommendation of personal services contracts for information security consulting services.
- representation of the Virgin Islands to the Federal Government, other agencies of Territorial Government, Local Government entities, and private industry on issues that have territory-wide impact on information security.
- development of policies and monitoring of territorial agencies to ensure that agency business operations continue to function in the event of a disaster.
- review and advisement on security plans concerning the location and construction of information processing facilities for the territorial agencies.
- preparation of policies and procedures for inclusion in the Virgin Islands Administrative Manual for the territorial agencies regarding the applicable law relating to confidentiality and privacy of, and public access, to information.

MISSION STATEMENT

The mission of the Bureau is to continuously improve and optimize service delivery and constituency participation through e-government; and to develop and use information and communication technologies to establish long-term, organization-wide strategies which consistently improve operations and permit efficient and swift delivery of goods and services to citizens, business partners, government employees and agencies of the Government of the Virgin Islands.

GENERAL FUND OVERVIEW

Exhibits I & II display a comparison between the General Fund appropriation received by BIT in the amount of **\$2,000,000** for FY 2016 and the Governor's FY 2017 recommendation for the Bureau of Information Technology in the amount of **\$2,286,205**.

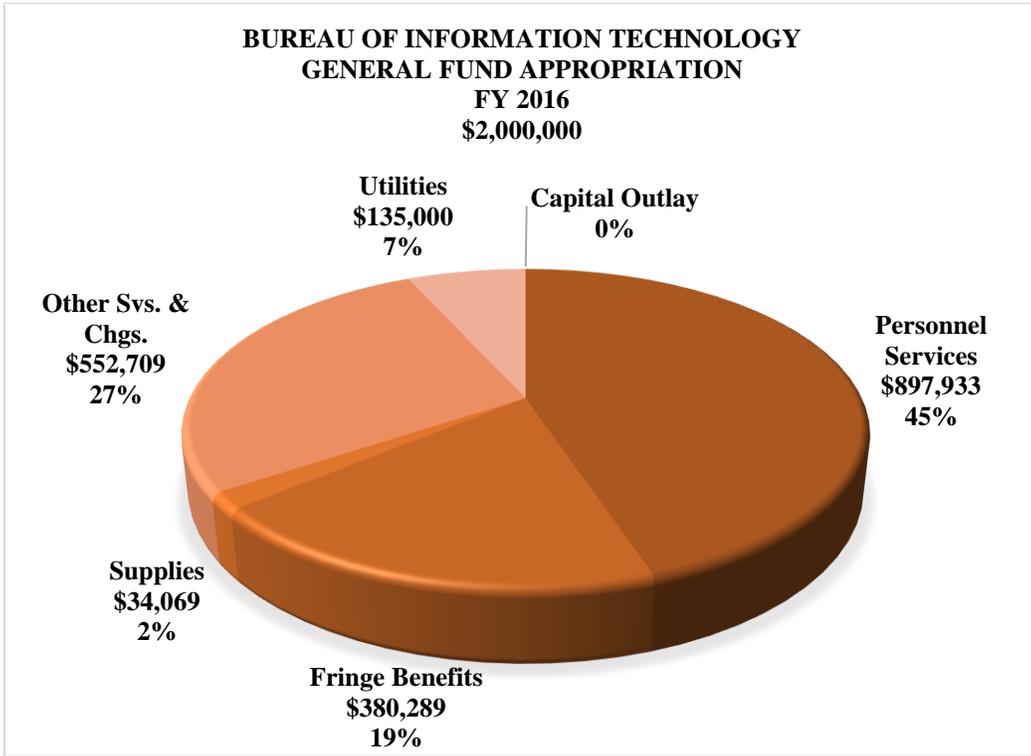


Exhibit I

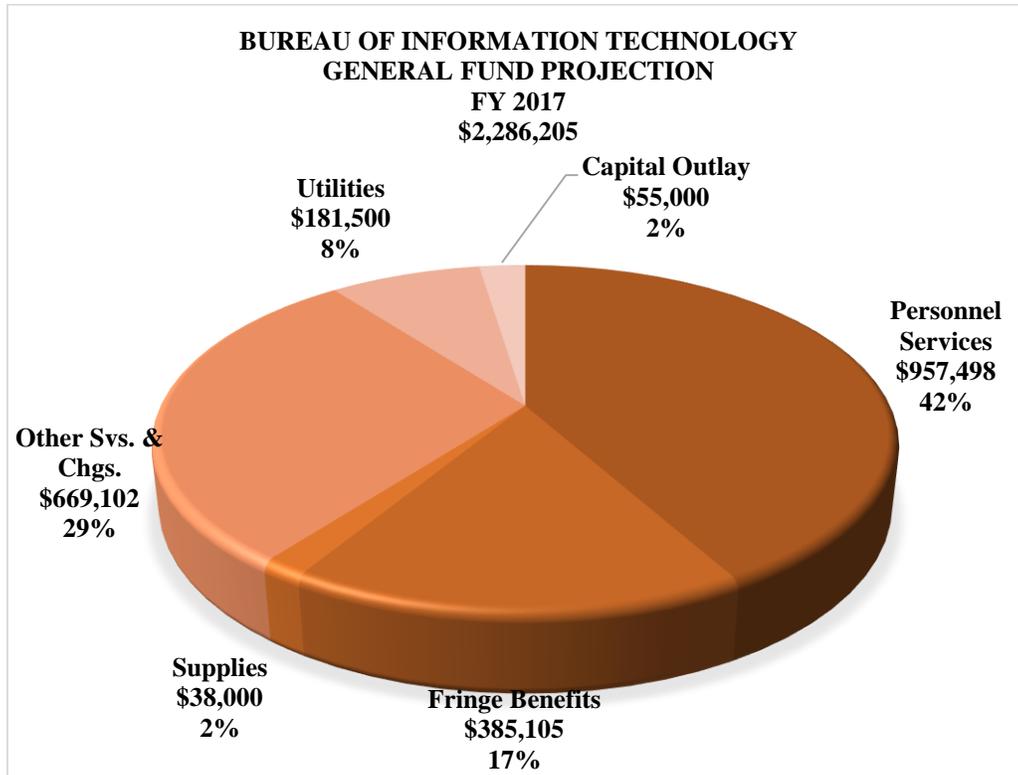


Exhibit II

FISCAL YEAR 2017 BUDGET REQUEST

The Governor has projected a General Fund appropriation of **\$2,286,205** for Fiscal Year 2017. This represents an increase of **\$286,205** or **14%** from Fiscal Year 2016 appropriation of **\$2,000,000**. An overview of the Bureau’s Financials as recommended by the Governor has been listed in *Exhibit III*.

Description	FY2015 Expenditure	FY2016 Appropriation	2017 Projection	Variance	% Chg
Appropriated Funds:					
General Fund					
Personnel Services	\$913,234.00	\$897,933.00	\$957,498.00	\$59,565.00	7%
Fringe Benefits	\$351,141.00	\$380,289.00	\$385,105.00	\$4,816.00	1%
Supplies	\$45,257.00	\$34,069.00	\$38,000.00	\$3,931.00	12%
Other Services & Charges	\$678,811.00	\$552,709.00	\$669,102.00	\$116,393.00	21%
Utility Services	\$165,466.00	\$135,000.00	\$181,500.00	\$46,500.00	34%
Capital Outlays	\$0.00	\$0.00	\$55,000.00	\$55,000.00	0%
Total General Fund	\$2,153,909.00	\$2,000,000.00	\$2,286,205.00	\$286,205.00	14%
Total Appropriated Funds	\$2,153,909.00	\$2,000,000.00	\$2,286,205.00	\$286,205.00	14%
Federal Fund:					
Personnel Services	\$117,918.00	\$92,500.00	\$65,000.00	\$27,500.00	30%
Fringe Benefits	\$36,965.00	\$34,566.00	\$24,290.00	\$10,276.00	30%
Supplies	\$2,397.00	\$0.00	\$0.00	\$0.00	0%
Other Services & Charges	\$30,701.00	\$0.00	\$0.00	\$0.00	0%
Utilities	\$0.00	\$0.00	\$0.00	\$0.00	0%
Capital Outlays	\$0.00	\$0.00	\$0.00	\$0.00	0%
Total Federal Funds	\$187,981.00	\$127,066.00	\$89,290.00	\$37,776.00	30%
Total Non-Appropriated Funds	\$187,981.00	\$127,066.00	\$89,290.00	\$37,776.00	30%
Grand Total Funds	\$2,341,890.00	\$2,127,066.00	\$2,375,495.00	\$248,429.00	12%

Exhibit III

BUDGET BY ACTIVITY CENTER

Org 26000 Bureau of Information Technology

Functional Statement:

The Bureau of Information Technology develops a comprehensive technology strategy, which includes network management (operations, monitoring and maintenance); managed services via equipment/hardware installation and software application implementation; customer service/help desk; and information technology project planning, management, auditing and reporting.

	Personnel Services	Capital Outlay	Fringe Benefits	Supplies	Other Svcs. & Chgs.	Utilities	Total	% Change
FY 17	\$957,498.00	\$55,000.00	\$385,105.00	\$38,000.00	\$669,102.00	\$181,500.00	\$2,286,205.00	14%
FY 16	\$897,933.00	\$0.00	\$380,289.00	\$34,069.00	\$552,709.00	\$135,000.00	\$2,000,000.00	
Variance	\$59,565.00	\$55,000.00	\$4,816.00	\$3,931.00	\$116,393.00	\$46,500.00	\$286,205.00	

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Personnel Services cost for the Bureau of Information Technology in Fiscal Year 2017 will cover seventeen (17) positions under the General Fund. The Bureau will see an increase in all budget categories in the amount of **\$286,205**. Personnel Services in the budget book exceeds the Personnel Listing by **\$59,565**. A listing of funded positions can be viewed in *Appendix I*.

Fund 100 – Bureau of Information Technology	Total Positions	Total Personal Services Cost
Unclassified Filled	6	\$379,000.00
Unclassified Vacant	0	\$0.00
Classified Filled	11	\$501,327.00
Classified Vacant	0	\$0.00
Adjustments		\$17,606.00
Total Fund 100 – Bureau of Information Technology	17	\$897,933.00

Personnel Services cost for the Bureau of Information Technology in Fiscal Year 2017 will also cover one (1) position under Federal Funds. The Bureau will see a decrease in Personnel and Fringe Benefits in the amount of **\$37,776**. A listing of funded positions can be viewed in *Appendix I*.

Fund 3100 – Bureau of Information Technology	Total Positions	Total Personal Services Cost
Unclassified Filled	1	\$65,000.00
Unclassified Vacant	0	\$0.00
Classified Filled	0	\$0.00
Classified Vacant	0	\$0.00
Adjustments		\$0.00
Total Fund 3100 – Bureau of Information Technology	1	\$65,000.00

FEDERAL GRANTS

Exhibit V provides a listing of the BIT’s Federal Funds for FY 2017.

CFDA No.	Grant Description	Total Expenditure FY 2015	Prior Year(s) Grant Balance Brought Forward FY 2016	Total Expenditure FY 2016	Grant Balance Carry Forward FY 2017	Recommendation FY 2017
11.549	State and Local Implementation	\$187,981.00	\$222,510.00	\$127,066.00	\$95,444.00	\$89,290.00
GRAND TOTAL		\$187,981.00	\$222,510.00	\$127,066.00	\$95,444.00	\$89,290.00

Exhibit IV

MISCELLANEOUS SECTION

Displayed below is the Governor’s recommendation from the Miscellaneous Section of the Budget for Fiscal Year 2017.

\$ 1,216,513.00	Maintenance of IT Infrastructure
\$ 2,171,270.00	License Fees GWAN
\$ 3,387,783.00	Total Miscellaneous Budget Recommendation FY 2017

VEHICLES

Exhibit V provides a listing of the BIT’s vehicles for FY 2017.

Year	Make	Model	Funding Source	Lease/Own	Condition	Office	Division	Plate No.	Maintenance Cost FY 2016	Gas Amount FY 2016
2008	Chevrolet	Equinox	General Fund	Own	Fair	STT	Director/On Call IT Staff	BIT-2	\$ 3,401.34	\$ 2,140.00
2007	Chevrolet	Trailblazer	General Fund	Own	Poor	STT	Director/Deputy Director	BIT-3	\$ 96.32	\$ 700.00
2007	Chevrolet	Colorado	General Fund	Own	Fair	STT	Administration	BIT-4	\$ 1,378.20	\$ 4,725.00
2007	Chevrolet	Colorado	General Fund	Own	Fair	STT	Administration	BIT-5	\$ 2,737.08	\$ 2,335.00
2007	Chevrolet	Equinox	General Fund	Own	Fair	STX	Office of the Director	BIT-1	\$ 648.11	\$ 980.00
2007	Chevrolet	Colorado	General Fund	Own	Fair	STX	Technical Division	BIT-6	\$ 924.42	\$ 1,350.00
2007	Chevrolet	Colorado	General Fund	Own	Good	STX	Technical Division	BIT-7	\$ 434.12	\$ 1,145.00
2011	Chevrolet	Silverado	General Fund	Own	Good	STX	Technical Division	BIT-9	\$ 3,340.94	\$ 2,965.00
Total									\$ 12,960.53	\$ 16,340.00

Exhibit V

RENTAL PROPERTY

Exhibit VI displays the Bureau’s Fiscal Year 2017 office and storage rental property listing for the sum of **\$214,600** from the General Fund.

Landlord	Address	Annual Rent
Shuama Rental Properties, LLC	9059 Est. Castle Coakley, C'Sted, STX	\$ 90,000
B.W. Realty Investment, LTD.	8000 Nisky Center, Suite 600A, STT	\$ 115,000
B.W. Realty Investment, LTD.	8000 Nisky Center, Lobby	\$ 9,600
Grand Totals		\$ 214,600

Exhibit VI

Exhibit VII displays the Bureau’s Fiscal Year 2017 tower rental property listing for the sum of **\$443,762.91** from the General Fund Miscellaneous Section.

Landlord	Address	Annual Rent	Status /Comments
SBA	No. 4A Estate Fortuna	\$ 15,132.00	Renewal Lease Pending. Landlord is being issued a termination for 1/1/2016 (120 days’ notice). Leased for telecommunications Tower and the use of wireless link connections and room and bunker.
SBA	Cotton Valley	\$ 23,375.76	Lease expires 4/30/2018
Tropical Towers	Blue Mountain	\$ 41,792.98	Lease expires 4/30/2018
Reef Broadcasting	Mt. Stewart	\$ 35,616.00	Lease expires 5/31/2016
Royale System, LLC	Flag Hill - Estate Thomas, No 6E New Quarter	\$ 146,400.00	Lease expires 11/30/2019
DHS	Crown Mountain	\$ -	MOU with Department of Homeland Security
WTJX	Mountain Top - Parcel No. 3A-17 Estate St. Peter	\$ 36,000.00	Lease expires 10/31/2017
Berrios	Burns Hill	\$ 13,601.73	Lease expires 6/30/2017
SBA	Bordeaux Mt. VII3515	\$ 33,339.60	Lease expires 7/31/2018
Heirs to Needle Estate	Saba Hill	\$ 30,000.00	Pending
St. John Community Foundation	Estate Bellvue	\$ 30,000.00	Pending
SBA	Old Mountain Top	\$ 38,504.84	Pending
Grand Totals		\$ 443,762.91	

Exhibit VII

PROFESSIONAL SERVICES

Exhibit VIII displays the Bureau’s ongoing professional services contract from Fiscal Year 2014 for the sum of **\$982,660** with a remaining balance of **\$629,596**.

Contractor	Terms	Purpose	Total Contract	Expenditure to Date	Balance
Evertec Group, LLC	60 months from sign 9/30/2013	To install and configure V-Block Solution for the Territory (Data Center-in-Box)	\$982,660.00	\$353,064.00	\$629,596.00
Total			\$982,660.00	\$353,064.00	\$629,596.00

Exhibit VIII

***Yearly amounts are projected in the General Fund Budget to cover this cost of \$176,532.20/yr.**

SUMMARY

The Bureau of Information Technology Fiscal Year 2017 Governor’s Recommended Budget is as follows:

\$2,286,250.00	General Fund FY 2017 Recommended Budget
\$89,290.00	Federal Funds
\$3,387,783 .00	Total Miscellaneous Budget Recommendation FY 2017
<hr/>	<hr/>
\$5,763,323.00	Total Recommended Operating Budget



Jose L. George
 Post Auditor

APPENDIX I

LEGISLATURE OF THE VIRGIN ISLANDS
 POST AUDIT DIVISION

COMMITTEE ON FINANCE
 BUDGET HEARINGS FISCAL YEAR 2017
 BUREAU OF INFORMATION TECHNOLOGY
 PERSONNEL LISTING

POSITION TITLE	SALARY		STATUS
DEPARTMENT 260 BUREAU OF INFO TECH			
DIVISION 26000 BUREAU OF INFO TECH			
ACTIVITY 26000 BUREAU OF INFO TECH			
<u>UNCLASSIFIED</u>			
CONFIDENTIAL SECRETARY	\$ 40,000		FILLED
DEPUTY DIRECTOR	\$ 80,000		FILLED
DIRECTOR/CIO	\$ 97,000		FILLED
FINANCE MANAGER	\$ 67,000		FILLED
PROJECT MANAGER	\$ 65,000		FILLED
SECRETARY	\$ 30,000		FILLED
SUB-TOTAL	\$ 379,000	6	
<u>CLASSIFIED</u>			
ADMINISTRATIVE OFFICER 1	\$ 35,000		FILLED
HELP DESK SPECIALIST	\$ 36,133		FILLED
HELP DESK SPECIALIST	\$ 35,000		FILLED
HELP DESK SPECIALIST	\$ 34,940		FILLED
NETWORK SYSTEM MANAGER	\$ 76,417		FILLED
NETWORK SYSTEM MANAGER	\$ 65,919		FILLED
RADIO FREQUENCY TECHNOLOGY	\$ 40,306		FILLED
RADIO FREQUENCY TECHNOLOGY	\$ 40,306		FILLED
RADIO FREQUENCY TECHNICIAN	\$ 40,306		FILLED
RADIO FREQUENCY TECHNOLOGY	\$ 55,000		FILLED
NETWORK SPECIALIST	\$ 42,000		FILLED
SUB-TOTAL	\$ 501,327	11	
<u>ADJUSTMENTS</u>			
OVERTIME	\$ 17,606		
SUB-TOTAL	\$ 17,606		
260 FUND 100 TOTAL	\$ 897,933	17	
26000 ACTIVITY	\$ 897,933	17	
<u>UNCLASSIFIED</u>			
PROGRAM MANAGER	\$ 65,000		FILLED
SUB-TOTAL	\$ 65,000	1	
FUND 3100 TOTAL	\$ 65,000	1	
ACTIVITY 260000	\$ 65,000	1	

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TOTAL DEPARTMENT	\$ 962,933	18	
FUND 100			
UNCLASSIFIED FILLED	\$ 379,000	6	
UNCLASSIFIED VACANT	\$ -	0	
CLASSIFIED FILLED	\$ 501,327	11	
CLASSIFIED VACANT	\$ -	0	
ADJUSTMENTS	\$ 17,606	0	
SUB-TOTAL	\$ 897,933	17	
FUND 3100			
UNCLASSIFIED FILLED	\$ 65,000	1	
UNCLASSIFIED VACANT	\$ -	0	
CLASSIFIED FILLED	\$ -	0	
CLASSIFIED VACANT	\$ -	0	
ADJUSTMENTS	\$ -	0	
SUB-TOTAL	\$ 65,000	1	
TOTAL DEPARTMENT	\$ 962,933	18	