



Virginia Information Technologies Agency



Alternative Rate Proposals

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expect the best



Investment Management – ISF Subcommittee Concerns

- Discussion of original proposal at 12/1 Subcommittee meeting noted that:
 - Customers should be charged an hourly rate for the oversight services they use, not a flat rate based on employee population/enrollment.
 - Governance costs could legitimately be addressed in existing general overhead.



Alternative Rates Proposal—Investment Mgt

Governance

- Charge non-higher ed agencies via existing overhead rates (no rate increase needed at this time)
- Capture higher ed governance costs through higher hourly rate for oversight

Oversight

- Charge hourly rate to all customers for specific project management services used:
 - \$74.74/hour for non-higher ed agencies
 - \$155.30/hour for higher ed institutions



Alternative Higher Ed Rate for Consideration

- Hourly rates for higher ed institutions could be lowered by charging flat fees for governance, based on enrollment size, resulting in an hourly oversight rate of \$74.74 for all customers:

Recovery Target for Governance = \$104,486

	<u>% of Total</u>	
Small	5.06%	\$ 5,286
Medium	16.12%	\$ 16,839
Large	78.82%	\$ 82,360
Total	100.00%	\$104,486

Calculated Average Annual Fee

Small	\$ 1,322	(4 schools)
Medium	\$ 3,368	(5 schools)
Large	\$16,472	(4 schools; VCCS)



Alternative Interim Billing Methodology for Security

- VITA proposes a fixed monthly fee for each agency based on the number of agency personal computers.
- The fixed fee would be reviewed and updated annually.
- Recovery dollars for each agency remain unchanged; however, the ITIB believes customers will be more receptive to a consistent monthly fee vs. the \$4.31 per PC originally proposed.