



Information Technology Advisory Council (ITAC)
April 25, 2024 - 1:00 pm



Hybrid meeting: WebEx link on [Virginia Regulatory Town Hall](#)
Physical meeting location: VITA, 7325 Beaufont Springs Dr, Richmond, VA 23225
Mary Jackson Conference Rm

Agenda

Call to Order and Welcome	John Craft, Chair
Rollcall	Staff
Review of Agenda	Staff
Approval of Minutes	Staff
<u>Presentations and Discussion</u>	
Legislative Update	Joshua Heslinga, Director of Legal & Legislative Services, VITA
Artificial Intelligence Current State	Robert Osmond, CIO of the Commonwealth
Managing and Funding the Modernization of Commonwealth Systems and Applications	Robert Osmond, CIO of the Commonwealth
Public Comment Period	
Other Business	
Adjourn	



Information Technology Advisory Council

September 5, 2023 – 1pm

VITA, Mary Jackson Boardroom



Call to Order and Welcome:

The meeting was called to order at 1:06pm by Mr. Craft. Mr. Craft welcomed back the members and announced the reappointment of Mr. Ram and Mr. Kane.

Presiding:

John Craft, Chair

Members Present:

Secretary of Administration Lyn McDermid

Chief Information Officer of the Commonwealth
Bob Osmond

Senior Advisor for Secretary of Labor Billy Reid

Senator Bill DeSteph

Senator Jennifer Boysko

Goutam Gandhi

Anthony Gitalado

James Kraemer

Adam Lee

Dr. Timothy Tillman

Robert Turner

Members participating remotely:

Dena Kozanas, Vice Chair. Ms. Kozanas participated virtually due to work.

Members Not Present:

Secretary of Labor Bryan Slater

Senator John Bell

Phea Ram

Cherif Kane

Staff Present:

Leslie Allen, Senior Assistant Attorney, Office of
the Attorney General

Jason Brown, Chief Administrative Officer,
Virginia IT Agency

Joshua Heslinga, Director, Legal and Legislative
Services, Virginia IT Agency

Mylam Ly, Legal Compliance & Policy Specialist,
Virginia IT Agency

Melinda Stewart, Chief Executive of Enterprise
Solutions, Virginia IT Agency

Cynthia Cordova-Edwards, Chief Financial
Officer, Virginia IT Agency

Committee Email - itac@vita.virginia.gov

Naveen Abraham, Chief of Core Infrastructure Services, Virginia IT Agency

Richard Matthews, Chief of Customer Experience, Virginia IT Agency

Lindsay LeGrande, Communications Director, Virginia IT Agency

Michael O'Malley,

Trey Stevens, Deputy CISO, Virginia IT Agency

Andrew Wheeler, Director, Office of Regulatory Management

Review of Agenda

Ms. Ly provided an overview of the agenda.

Approval of Minutes

The May meeting minutes were displayed on the screen. Upon a motion by Mr. Kraemer and duly seconded by Mr. Lee, the committee unanimously voted to adopt the meeting minutes.

Artificial Intelligence (AI)

Director Wheeler presented on AI. The presentation provided an overview of the two main types of AI uses for state government:

1. Internal AI Systems: those used within agencies to increase efficiency and streamline processes.
2. External AI Systems: front facing programs used to make decisions, produce outputs, and analyze citizen data accessible to the public

Four primary questions were posed to guide the discussion:

IT/System Standards: the first question focused on the IT standards needed to govern AI use, covering protocols, cost, security, cybersecurity, software development, IT management, state and agency oversight best practices, and database management. It also addresses prerequisites for using AI in specific use cases, such as validating data.

Policy Standards: the second question revolved around policy standards for AI, including when and how AI can be used, required management approvals, necessary disclaimers and approvals, and the extent of disclaimers when using AI products.

Education Standards: the third question pertained to standards for K-12 students, considering potential revisions to computer science standards to incorporate AI, digital learning expectations for post-secondary experiences and concerns relating to cheating and plagiarism.

Legal Issue: the final question addressed the legal or statutory authorities needed for AI use by Commonwealth agencies and departments. This involved reviewing existing regulatory and legal environments, evaluating the need for additional legislative or regulatory changes to protect against misinformation and discrimination, and reviewing current IT regulations governing AI technology purchases and usage.

Several concerns were raised, including the potential automation of jobs, the spread of fake news and misinformation, privacy and surveillance issues, the need for impartiality in AI systems, limited

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knowledge and explainability of AI models, lack of transparency in decision-making processes, ethical dilemmas, and data privacy and security risks. Concerns also extended to the concentration of power in a small number of large corporations.

The discussion extended to specific case examples, such as the role of AI in housing building codes and its impact on internal government processes. Regulatory and policy perspectives, as well as the importance of teachers having tools to identify AI tools. There was further discussion of finding a balance between ethical considerations and the growth of AI.

Break

Procurement Transformation

Chief Procurement Officer O'Malley presented on the strategic approach to enhancing government procurement processes in the Commonwealth. The objective is to establish a best-in-class state procurement function marked by efficiency, transparency, and accountability. The presentation highlighted the importance of consistent processes for sourcing goods and services across the Commonwealth and implementing end-to-end category management. Accountability was a key theme with a focus on managing demand, coordinating across the Commonwealth, ensuring competitive fairness, and evaluation vendor performance. There were additional discussions about experiences in IT procurement and questions regarding the development of an ideal procurement process. Best practices such as behavior and policy change, demand management, spec standardization, and contract consolidation were discussed. Clear communication and data sharing among agencies were also emphasized, with a commitment to continue improving procurement processes based on the discussions.

Public Comment Period

There were no public commenters.

Other Business

Mr. Craft opened the floor for other business. Ms. Ly discussed travel forms and the next meeting on December 5 at 1pm.

Adjourn

Upon a motion by Senator Boysko and duly seconded by Senator DeSteph, the committee unanimously voted to adjourn the meeting at 2:21pm.

IT Advisory Council (ITAC) Meeting – Presentations

April 25, 2024

Agendas, presentations, and other information on ITAC and its meetings are available on:

- VITA's website:
<https://www.vita.virginia.gov/about/organization/councils-committees/itac/>
- Virginia Regulatory Town Hall:
<https://townhall.virginia.gov/L/meetings.cfm?time=pastandfuture&agencynumber=136>



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Legislative Update

Information Technology Advisory Council (ITAC)

Joshua Heslinga
Director, Legal and Legislative Services, VITA

April 25, 2024

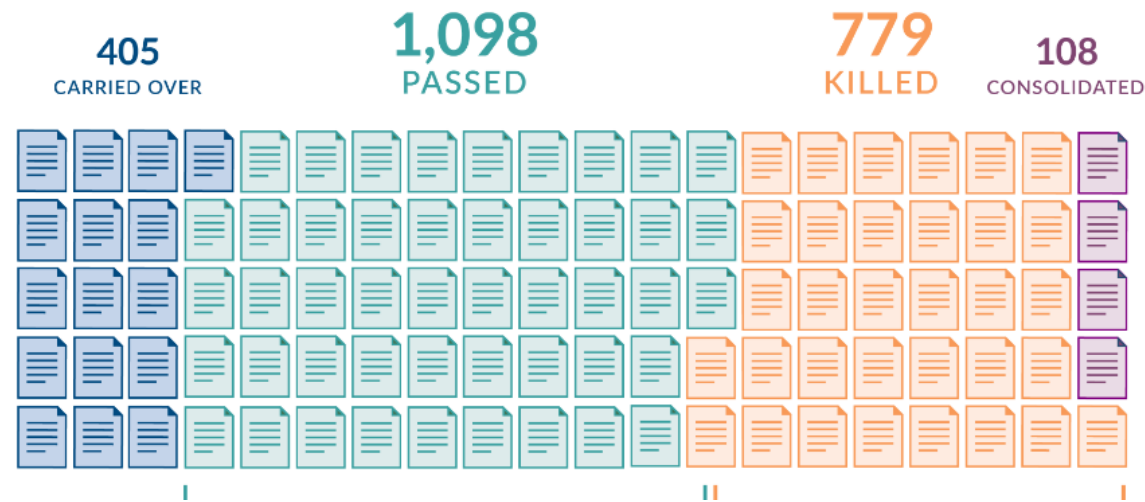
2024 Session Summary

Status

- GA adjourned sine die (ended) March 9
- Governor acted on bills by April 8
 - 777 signed, 116 amended, 153 vetoed
- GA returned on April 17 to consider Governor's vetoes & amendments
- Now in period for Governor to further consider bills where GA rejected recommended amendments
- Agreement between GA & Governor on a budget Special Session May 13. (Fingers crossed!)

Outcome of General Assembly Bills

There were 2,390 bills introduced in 2024, excluding commending and memorializing resolutions.



From VPAP fate of legislation visualization

<https://www.vpap.org/visuals/visual/fate-of-2024-legislation/>

Government technology (administration)

Budget ([Item 471](#)(M)) – Governor proposed \$150 million in technology modernization funding

- Would have used an existing, but empty, technology fund in [Va. Code § 2.2-2022 et seq.](#)
- Eliminated in House & Senate budget amendments, and not in Governor's amendments, so it appears to be dead for the year.
- Modernization remains an issue for state government

[SB222](#) – Cybersecurity bill – ENACTED

- Originally proposed to establish a consistent baseline of cybersecurity requirements that would apply throughout all of state government. (Current scope has holes & questions.) Narrowed after subcommittee rejection of House version, HB1095.
- As enacted, the legislation bolsters confidentiality protection for cybersecurity information received by VITA, which will facilitate necessary information sharing under existing law.

Government technology (other)

HB666 – Data breaches and state agencies

- State and local gov't are already included in existing data breach statutes (including [Va. Code § 18.2-186.6](#)). Underlying concern was that notifications to affected citizens are not sufficiently prompt.
- Struck by patron in return for VITA and the administration examining the issue

HB651 – Cyber civilian corps

- Envisioned a corps of state-managed volunteers supplementing cybersecurity personnel when needed. Enacted in a few other states.
- Amended into a study bill (VITA-led, with report required by Nov. 1), which was vetoed

HB728 – Surplus property procedures and technological equipment – ENACTED

- Clarifies that trade-in and buy-back programs are permissible

Government technology (other)

Opioid data analytics – STAY TUNED

- Issue: future of / successor to FAACT system
- [Item 79](#)(F) of the enrolled budget:
 - Directs a needs assessment by the Secretariats of Administration, HHR, and PS&HS, with VITA & ODGA, of the cost and options to implement a data analytics platform that collects, analyzes, interprets, and shares opioid related data from relevant agencies.
 - Authorizes VITA & ODGA to pursue a grant from the Opioid Abatement Authority to procure if such a platform is necessary & can be implemented in a cost-effective manner.

[HB1083](#) – Va Longitudinal Data System & Va Workforce Data Trust – ENACTED

- Originally proposed to move responsibilities from SCHEV to VEDP
- As enacted, directs a workgroup led by Secretary of Education (with executive and legislative representatives) to develop a plan for providing a best-in-class data analytics platform to support evidence-based research and data-informed decision-making regarding education, labor, & the workforce.

Artificial Intelligence (AI)

Executive Order 30 (Jan. 18, 2024)

- Directs compliance with policies, including required registry and approvals, for government AI uses – current and future
- See <https://www.vita.virginia.gov/artificial-intelligence/>
- Stay tuned for the related presentation!

SB487 – ENACTED AS STUDY BILL

- Took a similar approach generally. Emphasized a need to ensure no unlawful discrimination or disparate impacts.
- Would have applied throughout state and local government
- Also would have created a legislative Commission on AI (after incorporating SB621)
- As enacted, directs JCOTS to analyze both public bodies' AI use and creation of a commission. Report due by 12/1/2024.

Procurement

[HB242](#) / [SB242](#) – Exceptions to contract Ts & Cs in competitive negotiation (RFPs) – ENACTED

- Started as 2023 SB912, which was sent for consideration by Public Procurement Workgroup
- As enacted, applies beyond technology (to all “goods, nonprofessional services, and insurance”)
- Allows public bodies to require offerors to state exceptions to contract terms & conditions in RFP responses, *but* prohibits scoring or evaluating those exceptions when selecting offerors for negotiations.
- Exceptions must be considered in negotiations.
(This does not necessarily mean compromise is always required or even possible.)

Accessibility

HB1355

- Would have broadened existing IT Access Act (Title 2.2 Chapter 35)
 - More entities covered
 - All information and communications technology
 - Accessibility for all (not only people who are blind or visually impaired)
- Heightened contract provision requirements and potential consequences
- New administrative requirements
(digital accessibility coordinator, digital accessibility policy and grievance procedure)
- Continued to 2025, with referral to Public Procurement Workgroup for study

General Interest / Other

Social media regulation (especially with respect to kids)

- Lots of bills – TikTok, parental permission, hours of use, “addictive feeds,” etc.
- All dead for the year. Referred to JCOTS for study.

Also continued, legislation addressing:

- [Deepfakes](#)
- Use of AI that involves audio/video likeness of real person
- Blockchain/cryptocurrency

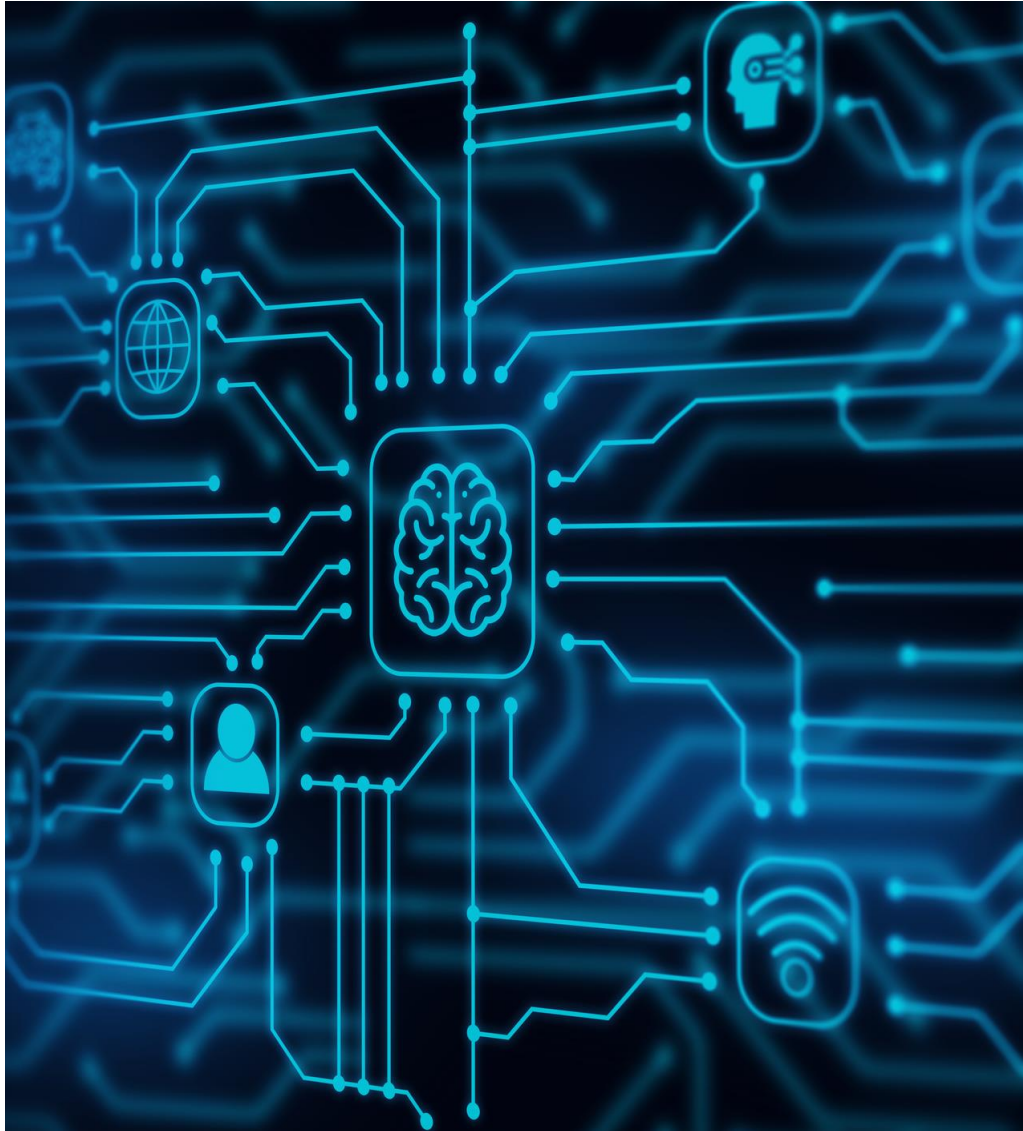
Much more we don't have time to cover, including:

- FOIA (promoting electronic/hybrid meetings, addressing fees, and more)
- Broadband
- Surveillance technologies

Discussion and Questions

Thank you!





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Artificial Intelligence (AI) Current State

Information Technology Advisory Council (ITAC)

Robert Osmond
CIO of the Commonwealth

April 25, 2024

Current state of AI in the Commonwealth

- Artificial Intelligence is increasingly embedded into the everyday systems and applications that we regularly use. AI is all around us and we often don't realize when we are interacting with AI.
- **VITA's definition of AI:**
The simulation of human intelligence processes by machines, especially computer systems, such that it can adapt and learn on its own using machine learning algorithms that can analyze large volumes of training data to identify correlations, patterns and other metadata that can be used to develop a model that can make predictions or recommendations based on future data inputs.
- **What this definition excludes:**
Technologies like robotic processes, data search, software automation and workflows, programmable devices, application software, and optimization programs.

Current Everyday AI Examples in the Commonwealth

Cybersecurity: We currently use over 15 cybersecurity tools with AI-embedded capabilities such as threat countermeasures and data loss prevention. (Splunk, Nessus, Trellix, etc.).

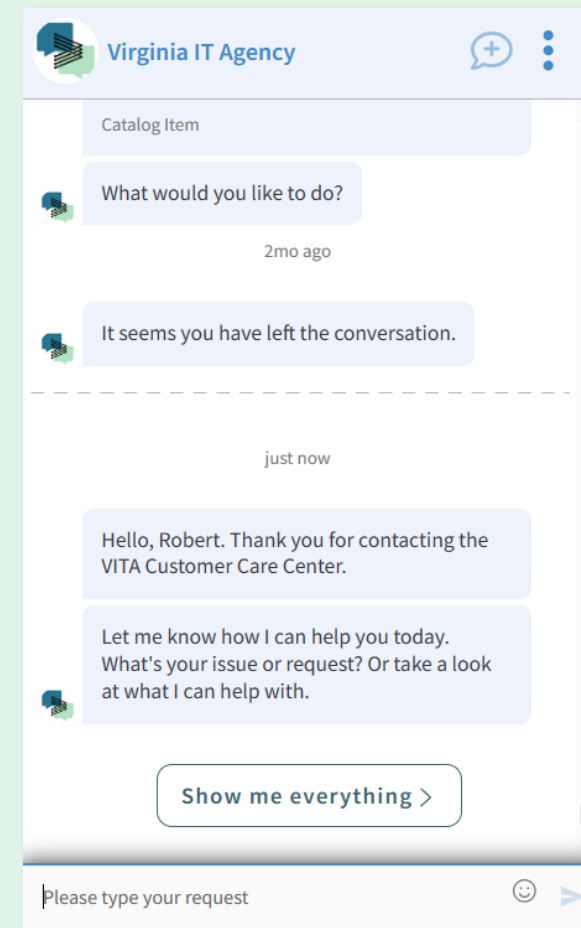
Ediscovery: Legal tools use AI for document processing and analysis. Solutions currently available & used (Microsoft Purview, Everlaw, etc.).

Agency chatbots: VDOT Snowbot and VITA Keystone Edge.

Invoice Processing: AP Forensics, optical character recognition, and document processing.

Email and Messaging: Autocorrect, common email addresses, and proposed words.

COV Websites: Real time and in-screen translation.



Current Game Changing AI Examples in the Commonwealth



AI-based decision support system to provide travelers with real time advice on the optimal mode of travel.
 Source: [RM3P | Travel Decisions Powered by Data \(rm3pvirginia.org\)](https://www.rm3pvirginia.org)



Variable tolls to reduce congestion and incentivize high occupancy travel.
 Source: [HOV lanes | Virginia Department of Transportation](https://www.vta.virginia.gov)

Operating under Executive Order 30

- Executive Order 30 (EO 30) issued on January 18, 2024.
- EO 30 puts in place (for the executive branch) standards and processes that aim to realize the benefits of AI while mitigating risks:
 - A policy standard sets forth guiding principles and measures to mitigate risks and protect the data of Virginians, including a mandatory registration and approval process for uses of AI.
 - A technology standard provides protocols and requirements for use of AI products or technologies.
 - Education and law enforcement have distinct guidelines and considerations.
 - An AI task force will be created to provide ongoing recommendations.
- Copies of EO 30 and the policy and technical standards may be found at <https://www.vita.virginia.gov/artificial-intelligence/>

AI Policy and Standards

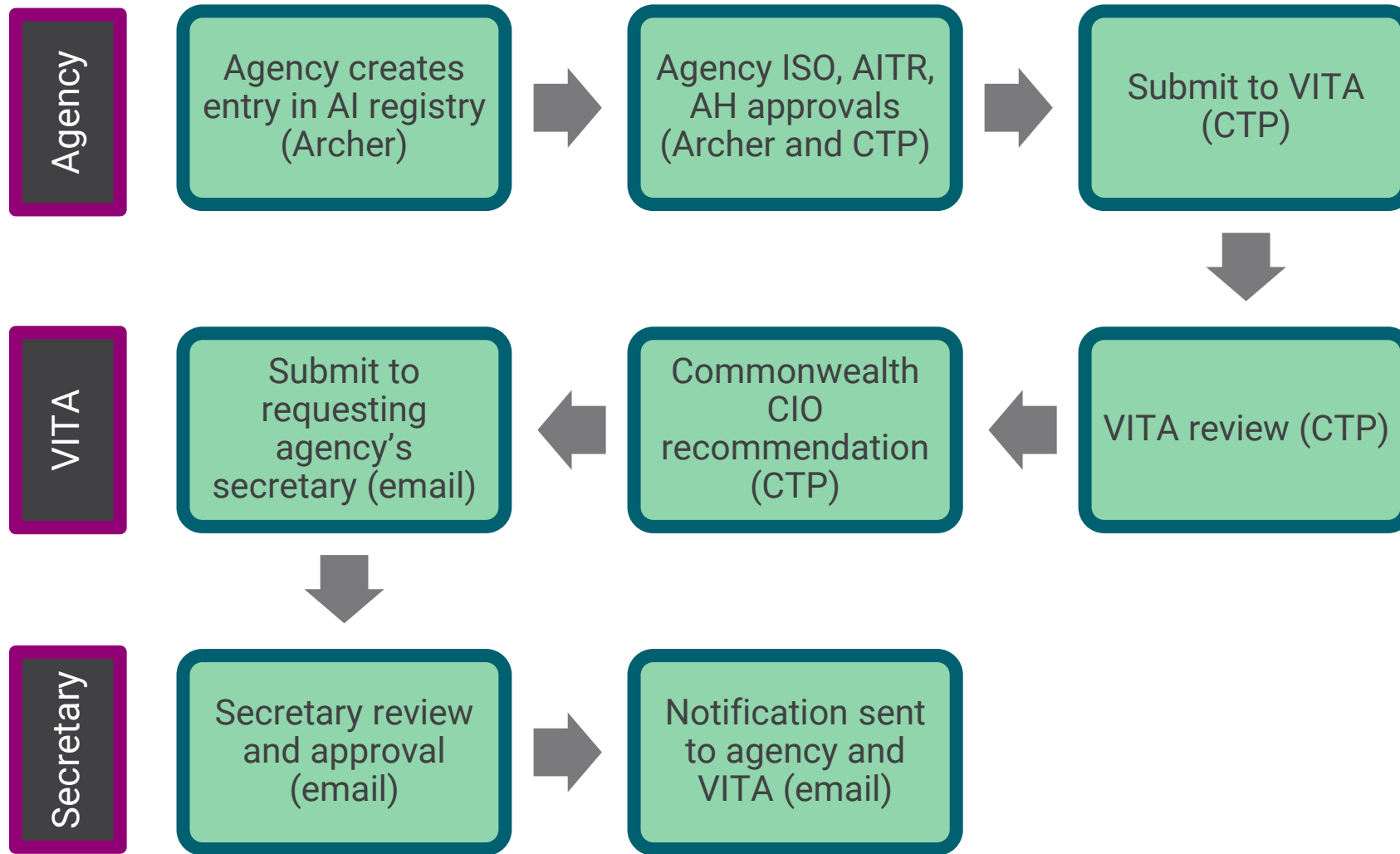
Utilization of AI by COV Policy Standard

- **Ethical use** – AI solutions must be resilient, accountable and explainable; AI models must be documented; AI outcomes must be validated for bias
- **Business cases** – AI must be the optimal choice for a stated result and produce positive outcomes for Commonwealth of Virginia (COV) citizens
- **Mandatory approval** – Each use of an AI solution must be recorded in an AI central registry and reviewed for approval by VITA and the secretariat
- **Mandatory disclaimers** – Public disclosure when AI is used to produce any decision or output, including how decisions were produced
- **Risk mitigation** – AI vendor health assessment as part of procurement
- **Protect citizen data** – Notification and required consent when using citizen data, and the security of sensitive and protected information

Enterprise Architecture AI Standard

- **Safety** – AI systems must be employed in such a way that they cause no harm to people, businesses or the environment
- **Privacy** – Data collected, leveraged or trained in an AI system must be untraceable back to an individual
- **Transparency** – Use of AI solutions in COV systems must be clear as to their use, extent and value
- **Accountability** – Risks associated with COV decisions must always remain with humans to avoid potential bias and discrimination by AI systems
- **Sustainability** – Building and fostering skills that will support COV into the future and not lead to automation complacency or de-skilling

AI registration and approval workflow



Vetting

High Level

- Does the solution affect Mission-Essential or Business Critical agency functions?
- Is the solution sensitive to Confidentiality, Integrity, or Availability?
- Is it employed in pursuit of public safety?

Operation

- What is the source of the data, and do we have permission?
- What is the incoming/outgoing data structure?
- What is the access control for the data?
- If people data is involved, how is privacy protected?

Outcomes

- How explainable is the solution and the data it produces?
- Is it making decisions?
- Is there human inspection?

Submissions to the registry

Category	Technology	Purpose
Predictive	AI-DSS – ARUP Laboratories	Predicts the likelihood of disruptive events (e.g., congestion, incidents) and impacts occurring in the transportation network
Embedded	CLAIRE AI/ML – Informatica Intelligent Data Management Cloud	Scans and analyses datasets for data integrity issues and presents a set of recommendations to a data integrity analyst who conducts cleanup activities
Generative	AI Remediate – SiteImprove	Scans a website for Section 508 accessibility issues and produces code to remediate them
Translation	TransPerfect Smartling	Translation services for public webpages and documents printed in English that need to be available in other languages
PII Use	Element 451 Livescan	<ul style="list-style-type: none"> Produce marketing campaigns, appointments, events, complete admissions applications, manage waitlisting, and other post acceptance activities for students who have been accepted Capture fingerprints and faces from citizens, to be used for quick identification purpose

Next Steps: Catalog existing AI in use that predates Executive Order 30.

Resources

VITA webpage on AI: <https://www.vita.virginia.gov/artificial-intelligence/>

ARTIFICIAL INTELLIGENCE

ARTIFICIAL INTELLIGENCE

Commonwealth of Virginia Enterprise Architecture Standard (EA-225)

This standard provides requirements for Commonwealth agencies and suppliers on the acceptable and ethical use of AI. It applies to both existing and new uses of AI; stand-alone, AI embedded and generative AI within other systems or applications; AI developed both by the agency or by third parties on behalf of ESA Artificial Intelligence.

For more information visit our [Policy & Governance](#) section.

Discussion and Questions

Thank you!





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Managing and Funding the Modernization of Commonwealth Systems and Applications

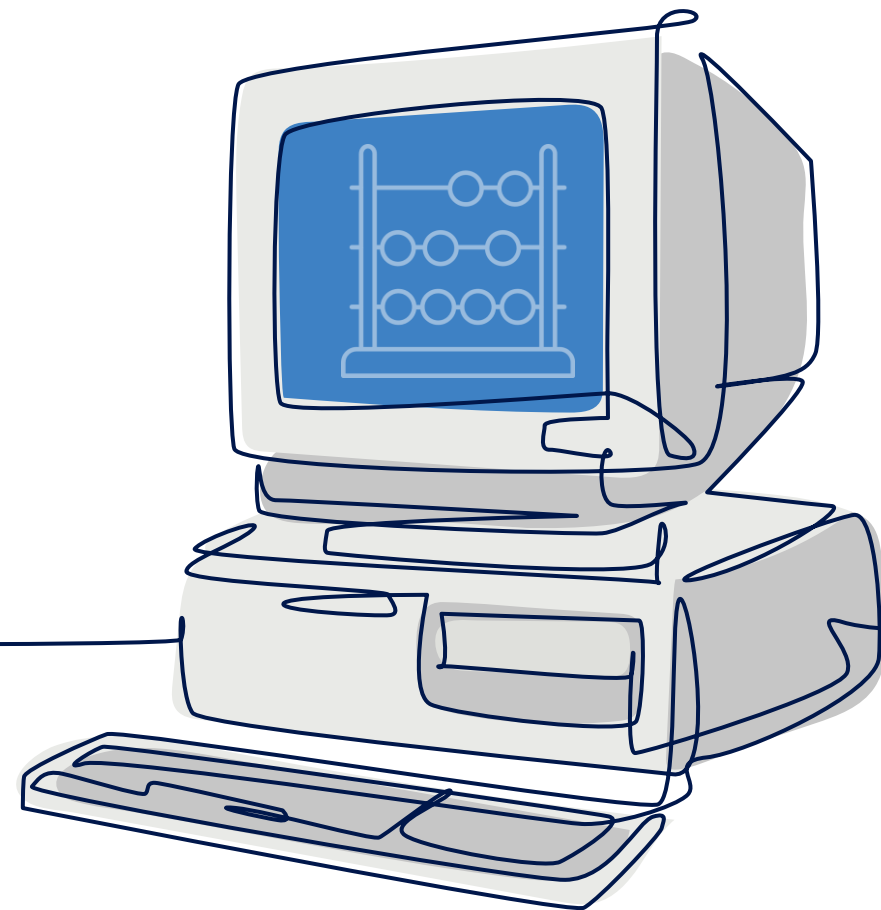
Information Technology Advisory Council (ITAC)

Robert Osmond
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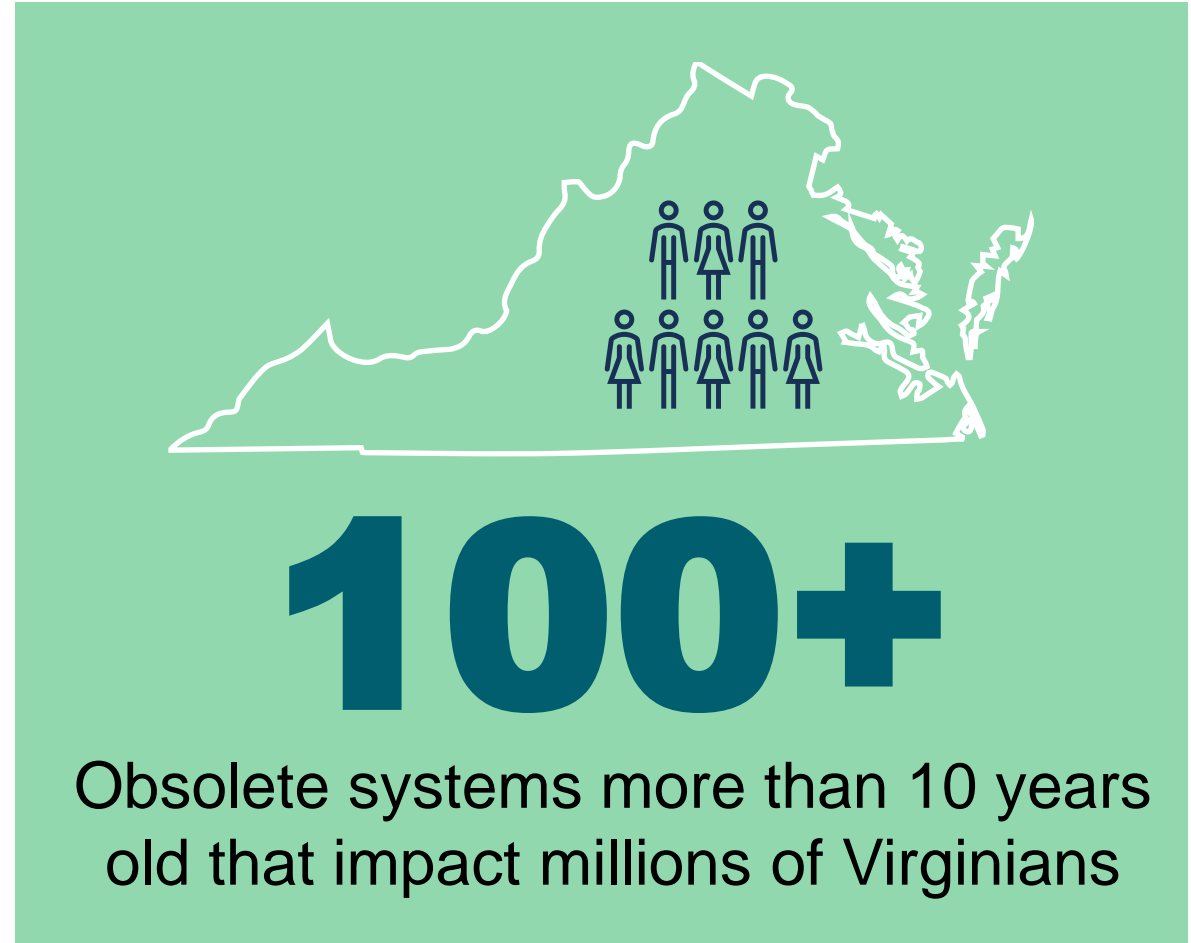
Current state of system and application funding in Virginia

- Each agency is responsible for its own agency applications, including securing the funding for maintenance, upgrades and modernization. For agencies supported by VITA, the agency receives IT strategic planning, budget request assistance, and project oversight.
- There is no central appropriation or process for a holistic and prioritized approach to application modernization across agencies. By "modernized," we mean:
 - The software is fully supported technically
 - Cybersecurity vulnerabilities are addressed
 - The application meets agency business requirements
 - The system and application sustainability are assured
- Of the ~2,500 systems and applications operated by VITA supported agencies:
 - 15% are over 20 years old
 - 42% are over 10 years old
 - 66% are over 5 years old



Identifying most critical technology modernization needs: agency assessment conducted

- VITA completed a recent needs assessment with customer agencies to document their most critical system and application modernization priorities.
- The assessment yielded 123 proposed system and application modernization projects from 49 Commonwealth agencies (requesting \$477 million in needed modernization funding).
- Obsolete system characteristics include critical security vulnerabilities, twilight or sunset technology, misalignment with agency business needs, and often higher maintenance costs.
- These systems provide capabilities that directly impact public safety, health and education for all Virginians.



Information technology (IT) is essential

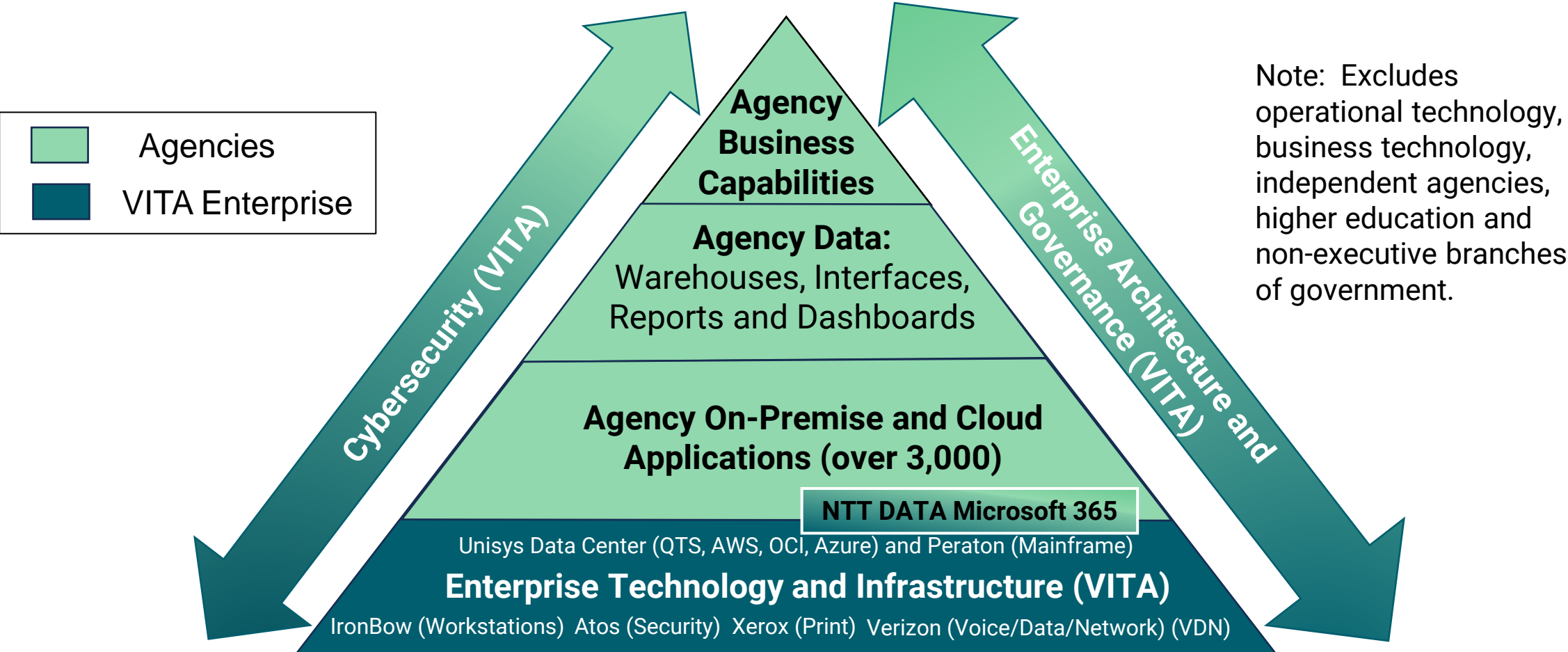
Every Commonwealth agency heavily relies on technology to achieve their missions. Some examples include:

- 1. Virginia Department of Health:**
Extensively uses technology to provide vital health data, track immunizations, deliver healthcare services, and support emergency management.
- 2. Virginia State Police:**
Extensively uses technology to support sworn officers in the field, conduct background investigations, manage criminal history records, and deliver safety and enforcement programs.
- 3. Virginia Department of Motor Vehicles:**
Extensively uses technology to manage driver, license, and vehicle information and to deliver related services to Virginians and businesses. Data relied upon by other agencies.
- 4. Statewide Business Systems (financial, human resources, technology and general services):**
Agencies rely on enterprise systems (such as Cardinal) to support processes for financial management, personnel, procurement, communication, cybersecurity, and infrastructure.



VITA is the agency's partner in navigating the complexity of information technology procurements and projects to provide the best value solutions in a secure and sustainable way.

Virginia has a decentralized information technology model



Commonwealth Technology Strategy

Overview of VITA roles

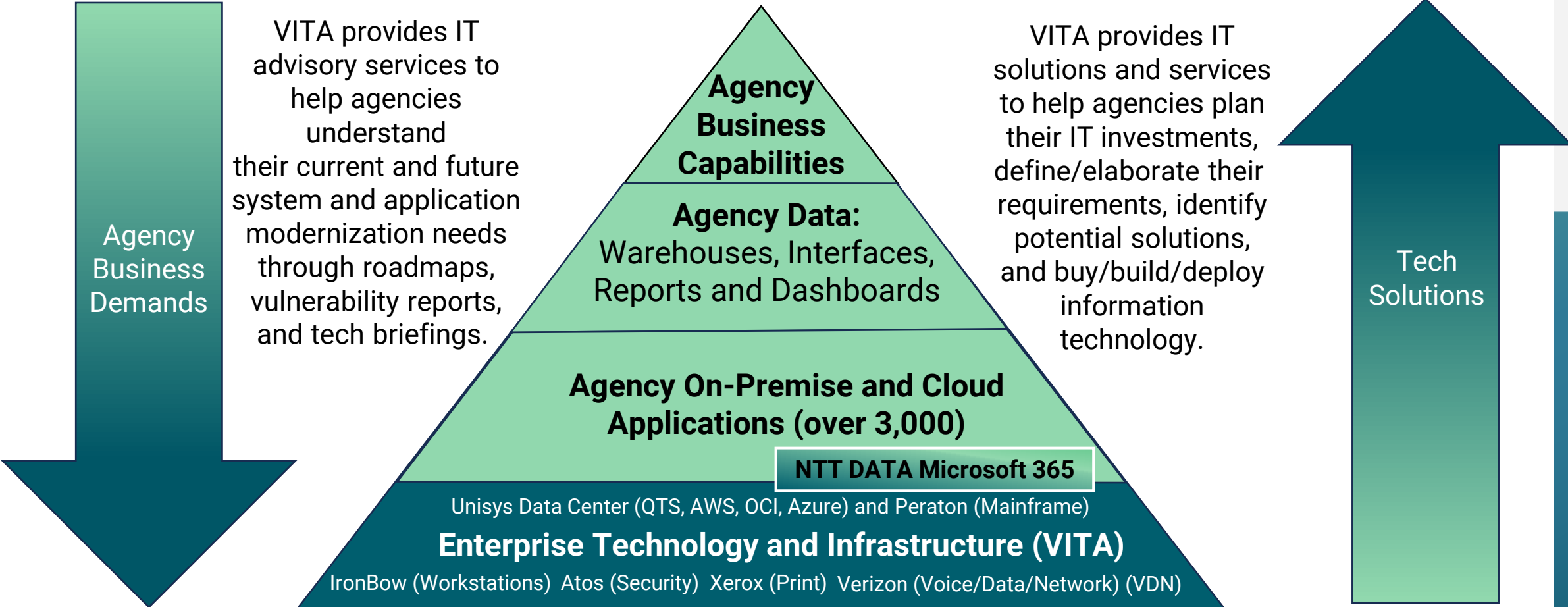
VITA Statutory Mission Areas:

- 1. Cybersecurity:** Protect people, assets and information from loss, damage and misuse
- 2. Infrastructure and solutions:** Ensure the operating environment is efficient, adaptable, scalable, and delivers the best value and delivery of enterprise solutions
- 3. Governance:** Provide policy and standards to support technology decisions, IT best practices, and enterprise optimization and to promote project and portfolio management.
- 4. Procurement:** Develop value-driven statewide IT contracts that enable Commonwealth public bodies to obtain the best deal for their organizations (\$1B annually)



As the statewide IT agency, VITA is uniquely positioned to help support modernization efforts across agencies and secretariats to invest in the programs most critical to Virginians.

Information technology supports agency business needs



Commonwealth Technology Strategy

VITA's project management division: supporting the Commonwealth's \$1B+ IT project portfolio



Commonwealth IT procurements:

- IT procurements of goods or services that exceed \$250K or more (minor) or \$1M or more (major)
- Review and CIO approval for requests for procurement (RFPs), contracts, and statements of work
- Number of procurements in-flight:
 - 183 with an associated total value of \$1.1B

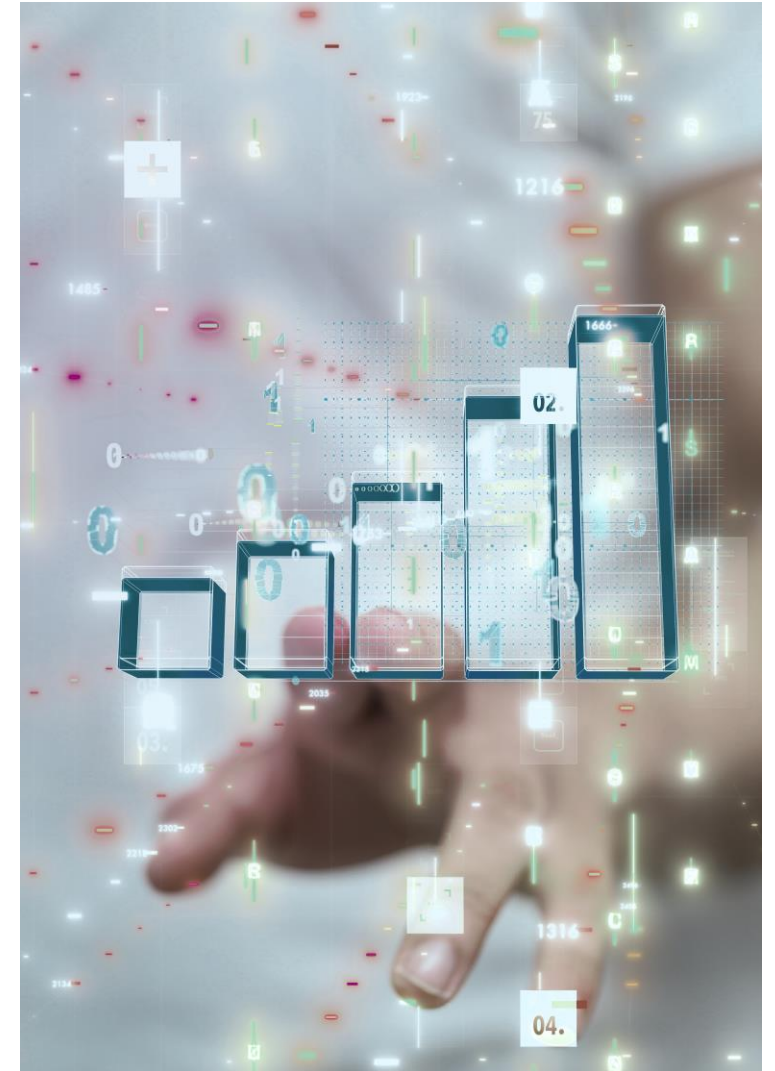


Commonwealth IT projects:

- IT project that exceeds \$250K or more (minor) or \$1M or more (major)
- Value of IT project portfolio = \$570,506,564
- Number of projects in portfolio = 75
- Approximate value of pending Commonwealth IT projects = \$441,733,640
- Number of pending Commonwealth IT projects = 51

Commonwealth agency information technology funding

- Commonwealth agencies apply various approaches to manage and fund their information technology programs.
- Some agencies, such as VDOT and VDSS, have formal IT investment management processes and boards to prioritize and allocate funding to the most critical IT programs. Other agencies use more informal processes.
- Smaller funding needs (often less than <\$250K) are addressed through existing agency budgets with the work managed as service requests or maintenance projects. Larger funding needs (typically > \$250K) are addressed through discrete projects.
- Review and budgetary decisions are made at the agency and project level.



Current state of IT need/project lifecycle

If funding is available in existing agency budgets

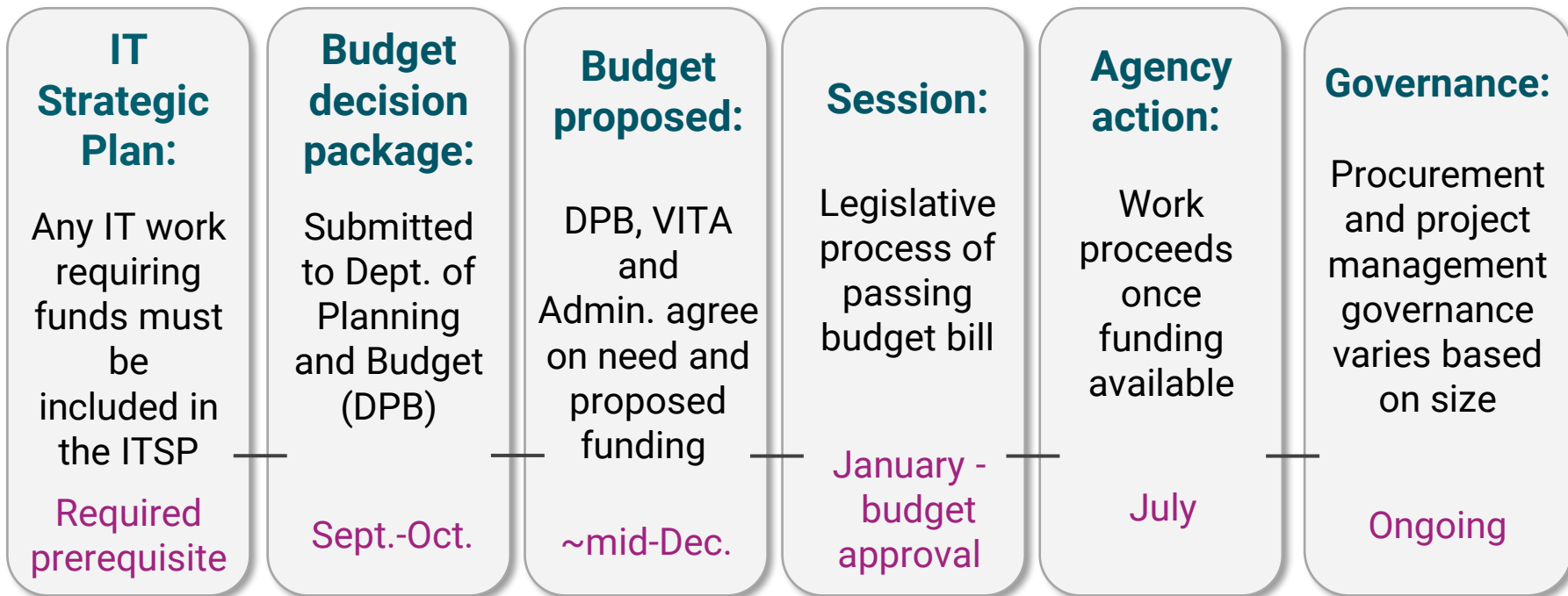
Need can be fulfilled as long as applicable governance requirements are followed

Concerns of the current approach:

- Time bound by budget process
- Not responsive within a FY
- Unable to accelerate delivery for critical technology needs

Need: Agency identifies an IT need within its business (no set criteria)

If funding is unavailable in existing agency budgets



Consider a complementary statewide IT funding approach

Centralized funding pool, known as the Technology Infrastructure Fund

Needs (with coordination):
Holistic view of needs and priorities (whether for individual agency or enterprise-wide)

Anytime

Incubation:
Fund provides preparation, development, and/or startup funding for significant projects. More opportunities for vetting, pilots, etc.

Anytime

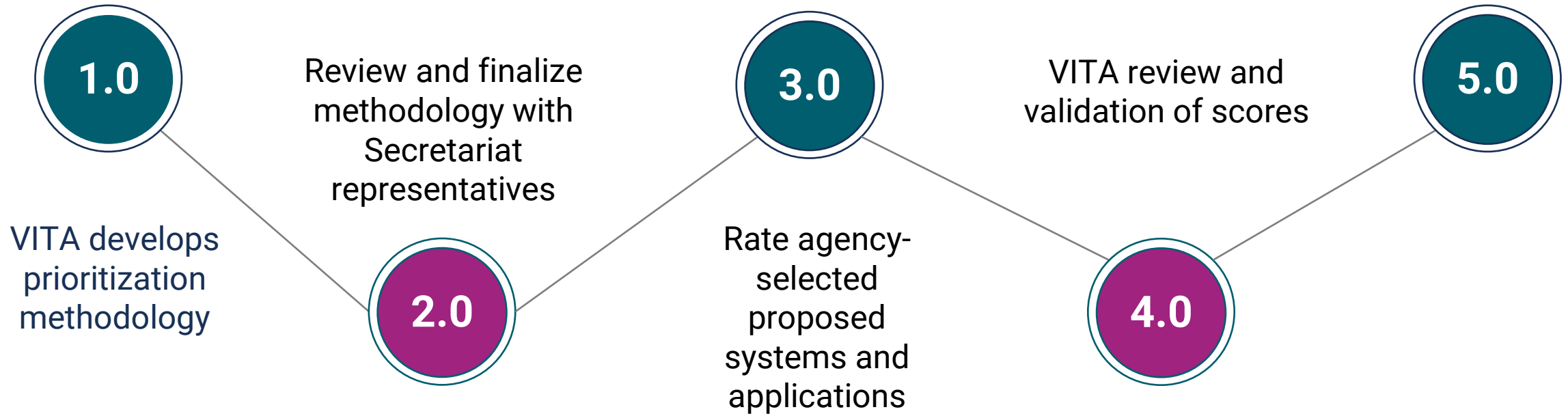
Budget process:
Remains how final funding decisions are made. Benefits from greater data available.

Sept.-July

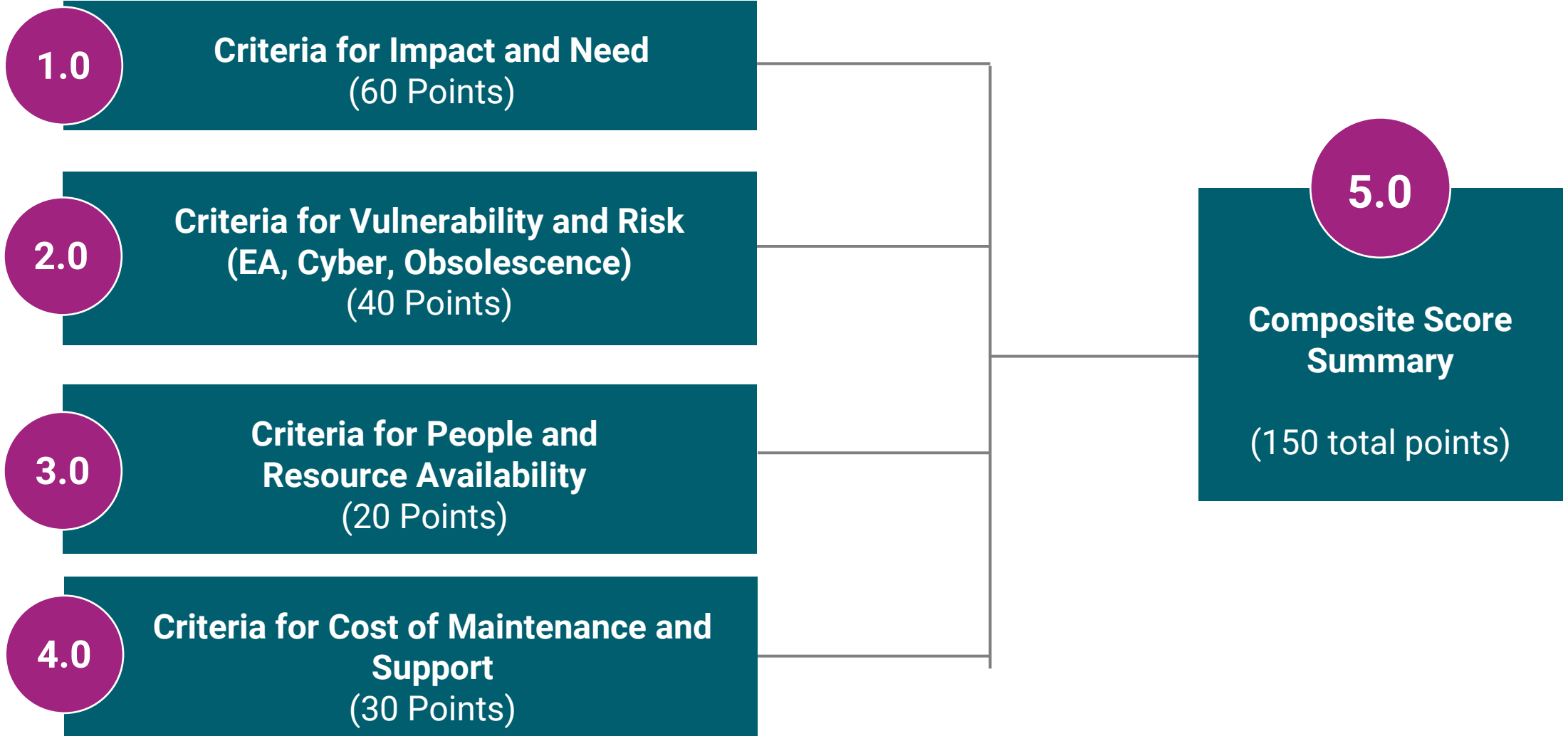
Benefits of centralized modernization funding

- Better coordination and agility
- Priorities assessed from high-level view
- Accelerated work and delivery (often in response to new legislation)
- All current governance, reviews and criteria maintained

Consider an assessment and prioritization framework



Suggested criteria for prioritization for proposed projects



Improving modernization approach requires partnership

- Legislative and executive policymakers would need to provide a centralized funding source that would enable the Commonwealth to better assess, develop, and support the modernization of critical systems and applications.
 - A potential, existing Code mechanism already exists – [the Virginia Technology Infrastructure Fund](#) – thanks to bipartisan [2022 legislation](#) (Sen. Boysko)
- Agencies maintain responsibility for their applications but would have new potential support and funding.
- IT strategic planning and budget processes remain in place. VITA will provide cybersecurity, architecture, infrastructure, and project management assistance as needed.
 - Agency and VITA governance statutes would not generally require amendments

Discussion and Questions

Thank you!

