

IT Modernization Fund Revenue Recommendation

Recommendation	Existing Or New	Annual Amount for Fund	Recommendation Revenue Type	Entity Assessed/Impacted	Default Revenue Destination
Modification to Mutual Fund & Unit Investment Trust fees (DFR)	Existing, enhanced	\$ 5,200,000.00	External Assessment	Investment Companies	General Fund
Bank of America Rebate w/o Virtual Payables	Existing, enhanced	\$ 782,000.00	Rebate	State Vendors	General Fund
Bank of America Rebate w/ Virtual Payables	New	\$ 3,000,000.00	Rebate	State Vendors	Not currently collected
Electronic Buyback: Cell phones and other mobile devices	New	\$ 300,000.00	Rebate	State Departments	Not currently collected
Vendor Rebate: All State Commodity Purchases	New	\$ 1,125,000.00	Rebate – .25%	State Commodity Vendors	Not currently collected
Vendor Rebate: State IT Purchases of Hardware/Software	New	\$ 527,759.35	Rebate - 3%	IT Resellers	Not currently collected
	Total	\$ 10,934,759.35			

Modification to Mutual Fund & Unit Investment Trust Fees

- Annual Projected Revenue: \$5.2M
- This increased revenue would result from changing the existing fees collected for each mutual and investment fee from \$2,000 (initial) and \$1,500 (renewal) to \$1,750 for both initial and renewal
- Will require legislative action to modify the existing structure
- Timeline to implement: Begin 7/1/2021, collecting fees immediately

Expansion of Bank of the America Rebate

- Annual Projected Revenue: \$782K
- Expanding upon the annual rebate collected from the Bank of America Purchasing Card Agreement.
 - Currently the state collects approximately \$100k annually under this program
 - Estimated annual projected revenue based on \$40M in spend
- The State would impose a few small administrative process adjustments to further expand the use of the Purchasing Card:
 - Interface between the BOA Reporting System and VISION for transactional data
 - Create executive processes to further utilize the Purchasing Card
- Will not require legislative action to modify the existing structure
- Timeline to implement: Begin 7/1/2021, collecting rebate annually thereafter

Expansion of Bank of the America Rebate W/ Virtual Payables

- Annual Projected Revenue: \$3M
- Expanding upon the annual rebate collected from the Bank of America Purchasing Card Agreement.
- The State would implement an ERP modification allowing the Purchasing Card to be a payment option at the time of Voucher transaction.
 - Annual rebates estimated to be up to \$3 million if 500 vendors signed up for new payment method with annual spend of \$194 million. The State of Vermont has over 70,000 vendors.
 - 6-9 month implementation
 - Currently used in the Commonwealth of Virginia
 - Faster payout to vendors than current process, longer cash on hand for the State.
- Will not require legislative action to modify the existing structure
- Timeline to Implement: Go Live 11/1/2021, collecting rebate annually thereafter

Electronic Buyback: Cell phones and other mobile devices

- Annual Projected Revenue: \$300K
- Expanding upon the electronic buy back program of old mobile devices.
 - Devices in good working order could be bought back for \$50 - \$400 depending on the until and condition.
- Require all departments consolidated under an ADS master account:
 - Each Department will still have control over their sub accounts
 - Departments will be enrolled in FirstNet (or the like) status
- Will not require legislative action to modify the existing structure
- Timeline to Implement: Begin 7/1/2021, collecting funds upon phone upgrades

Vendor Rebate: All State Commodity Purchases

- Annual Projected Revenue: \$1.12M
- Annual rebate negotiated with the resellers of .25% of all sales. Common in many states, Vermont is one of the few who do not include this rebate.
 - Generally, the fee ranges from .25 up to 3% and is built into the cost of the product and the vendor submits fees to the State on a quarterly basis.
 - First \$500k would be directed to the General Fund and the remaining amount collected would be directed to the IT fund
- Will not require legislative action to modify the existing structure
- Timeline to Implement: Begin 9/1/2021, collecting funds quarterly thereafter

Vendor Rebate: State IT Purchases of Hardware and Software

- Annual Projected Revenue: \$527K
- Annual rebate negotiated with the resellers of 3% of all sales. Common in many states, Vermont is one of the few who do not include this rebate.
 - Generally, the fee ranges from .25 up to 3% and is built into the cost of the product and the vendor submits fees to the State on a quarterly basis.
- Will not require legislative action to modify the existing structure
- Timeline to Implement: Begin 9/1/2021, collecting funds quarterly thereafter