

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1701
By: Wentworth
Government Organization
4/12/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

The Texas Department of Information Resources (DIR) was created to manage the state's information technology (IT) resources and to ensure that public funds spent on IT are used wisely and effectively. C.S.S.B. 1701 restructures the administrative responsibilities of DIR to ensure that it continues to provide valuable technology-related services to state agencies.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the governing board of the Texas Department of Information Resources in SECTION 8 (Section 2054.102, Government Code) and to the Department of Information Resources in SECTION 27 (Section 2054.405, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2054.003, Government Code, as amended by Chapters 1272 and 1422, Acts of the 77th Legislature, Regular Session, 2001, by adding Subdivision 16 to define "quality assurance team."

SECTION 2. Amends Subsection (b), Section 2054.091, Government Code, to require the executive director of the Department of Information Resources (DIR), in preparing a state strategic plan, to assess and report on return on investment guidelines established by DIR to help state agencies to implement major information resources projects more effectively.

SECTION 3. Amends Section 2054.092, Government Code, as follows:

- (a) Requires the strategic plan to be prepared in coordination with the quality assurance team and state agency information resources manager.
- (b) Requires the plan to meet certain conditions.

SECTION 4. Amends Subsections (c) and (d), Section 2054.095, Government Code, as follows:

- (c) Requires DIR, rather than the Legislative Budget Board (LBB), to prescribe the format required for an agency strategic plan.
- (d) Requires DIR, rather than LBB, to adopt instructions, consistent with Section 2054.096, that guide state agencies in the preparation of their agency strategic plans.

SECTION 5. Amends Subsection (a), Section 2054.096, Government Code, to add "a statement of how projects proposed or described under this subsection will provide a return on investment according to guidelines developed by the department" to information required of each agencies plan in order for the plan to be consistent with the state strategic plan.

SECTION 6. Amends Section 2054.097, Government Code, as follows:

- (a) Replaces the "Legislative Budget Board" with the "quality assurance team."

(b) Authorizes (DIR), rather than the Legislative Budget Board (LBB), in coordination with the quality assurance team, to report to the agency and authorizes DIR to report to the governor, rather than the state auditor, and the presiding officer of each house of the legislature, that an agency plan or plan amendment is not in compliance with the state strategic plan or best suited to the state agency's execution of its own duty.

SECTION 7. Amends Subsections (a) and (b), Sections 2054.100, Government Code, as follows:

(a) Adds DIR, the quality assurance team, and the governor to the list of entities to which each state agency is required to submit an operating plan each biennium.

(b) Adds new language relating to project goals for the biennium.

SECTION 8. Amends Section 2054.102, Government Code, as follows:

Sec. 2054.102. New heading: EVALUATION AND APPROVAL OF OPERATING PLANS. (a) Created from existing text.

(b) Requires DIR to provide LBB with a list of agencies that have not complied with DIR standards, provisions in the state strategic plan, and corrective action plans. Requires the agencies to develop corrective action plans signed off on by DIR that specify how deficiencies will be corrected before components of the agency biennial operating plan can be approved by LBB. Requires the governing board of DIR to adopt rules as necessary to establish DIR standards.

SECTION 9. Amends Section 2054.118, Government code, by amending Subsections (a) and (b) and adding Subsection (d), as follows:

(a) Created from existing text and makes conforming changes.

(b) Requires DIR to develop rules or guidelines for its review of major information resources projects, including guidelines for software development and quality assurance.

(d) Requires a state agency, before the state agency may initially spend appropriated funds for a major information resources project, to quantitatively define the expected outcomes and outputs for the project and provide that information to the quality assurance team.

SECTION 10. Amends Section 2054.1181, Government Code, by amending Subsection (a) and adding Subsections (d) through (i), as follows:

(a) Requires the quality assurance team, in coordination with the governor, to recommend major information resources projects to DIR for oversight. Requires the team, as part of this oversight, to provide risk management and quality assurance services independent project monitoring, and project management. Requires a state agency with a project selected for oversight to pay for oversight by the department and quality assurance team based on a funding model developed by DIR.

(d) Requires the quality assurance team to evaluate major information resources projects to determine if the projects are operating on time and within budget.

(e) Authorizes the quality assurance team, if the quality assurance team determines that a major information resources project is poorly managed or has excessive cost overruns, to discontinue the project subject to LBB approval.

(f) Authorizes the quality assurance team to review and analyze a project's risk to determine whether to approve a project for the expenditure of funds under Section 2054.118(a). Requires the quality assurance team, when conducting this review, to

comply with DIR rules and guidelines. Requires a state agency to provide the quality assurance team any information necessary for the quality assurance team to determine the project's potential risk. Authorizes the quality assurance team to approve a project without the review.

(g) Authorizes the quality assurance team to require a state agency to provide certain information.

(h) Requires the state auditor, on request by the quality assurance team, to audit and review major information resources projects and the information provided by the state agencies under this section.

(i) Requires the comptroller of public accounts, on request by the quality assurance team, to provide assistance regarding certain functions.

SECTION 11. Amends Subchapter F, Chapter 2054, Government Code, by adding Sections 2054.1182 and 2054.1183, as follows:

Sec. 2054.1182. EVALUATION OF COMPLETED MAJOR INFORMATION RESOURCES PROJECTS. (a) Authorizes the quality assurance team, after a major information resources project has been completed, to require a state agency to evaluate and report on whether the project met its objectives or other expectations.

(b) Authorizes the state auditor to perform certain tasks.

Sec. 2054.1183. ANNUAL REPORT ON MAJOR INFORMATION RESOURCES PROJECTS. Requires the quality assurance team no later than December 1 of each year to report on the status of major information resources projects to certain individuals.

SECTION 12. Amends the heading to Subchapter G, Chapter 2054, Government Code, to read as follows:

SUBCHAPTER G. QUALITY ASSURANCE

SECTION 13. Amends Subchapter G, Chapter 2054, Government Code, by adding Section 2054.158, as follows:

Sec. 2054.158. QUALITY ASSURANCE TEAM. Requires the state auditor, LBB, and DIR to perform certain tasks.

SECTION 14. Amends Subsections (b) and (c), Section 2054.2051, Government Code, as follows:

(b) Adds new language relating to performance measures developed by the telecommunications planning and oversight council.

(c) Requires the review regarding the financial performance of the consolidated telecommunications system and the centralized capitol complex telephone system to include a comparison between actual performance and projected goals at least once every three months and any benefit of contracting with private vendors to provide some or all of the systems at least once each year.

SECTION 15. Amends Section 2055.001, Government Code, by amending Subdivision (1) and adding Subdivision (5), as follows:

(1) Adds "major information resources project" and "quality assurance team" to a list of definitions assigned by Section 2054.003.

(5) Defines "consortia project."

SECTION 16. Amends the heading to Subchapter B, Chapter 2055, to read as follows:

SUBCHAPTER B. DEPARTMENT OF INFORMATION RESOURCES;
PROGRAM MANAGEMENT OFFICE

SECTION 17. Amends Section 2055.051, Government Code, as follows:

Sec. 2055.051. New heading: CREATION; OVERSIGHT (a) Requires DIR to manage, rather than create, an Electronic Government Program Management Office within DIR to direct and facilitate the implementation of electronic government projects selected under this chapter.

(b) Provides that the office is under the direct authority and oversight of DIR.

SECTION 18. Amends Section 2055.052, Government Code, to require DIR to establish, direct, and provide risk management and quality assurance services for consortia, rather than electronic government, projects.

SECTION 19. Amends Section 2055.054, Government Code, as follows:

(a) Replaces “comptroller” with “governor” and “office” with “DIR” in existing text.

(b) Requires the office, in coordination with state agency information resources managers, to create state agency coordination teams.

SECTION 20. Amends Subsection (c), Section 2055.055, Government Code, to require DIR, in consultation with the quality assurance team, to establish standards for state agencies to follow in implementing certain projects.

SECTION 21. Amends Section 2055.057, Government Code, as follows:

Sec. 2055.057. New heading: FUNDING FOR PROGRAM MANAGEMENT OFFICE AND CERTAIN PROJECTS. (a) Requires DIR, in coordination with the governor and the quality assurance team, rather than the comptroller, Governor’s Office of Budget and Planning, the state auditor, and LBB to develop a model for funding consortia projects from a portion of the money appropriated for technology components to be consolidated by projects selected under Section 2055.101, including funding staff necessary for the office. Requires the model to meet certain requirements.

(b) Requires DIR, in coordination with the quality assurance team, to recommend to LBB and the governor a proposal for funding consortia projects selected under Section 2055.101.

SECTION 22. Amends Subchapter B, Chapter 2055, Government Code, by adding Section 2055.060, as follows:

Sec. 2055.060. PERFORMANCE MEASURES. Requires DIR to consult with LBB to establish a performance measure for the office to identify and measure the value provided to projects selected under Section 2055.101, including the amount of savings, cost avoidance, and other return on investment criteria that the office achieves.

SECTION 23. Amends Subchapter B, Chapter 2055, Government code, by adding Section 2055.061, as follows:

Sec. 2055.061. STATE DATA CENTER (a) Defines “center” and “best value.”

(b) Requires DIR to operate, or through cooperative agreement, manage operations of the Texas State Data Center on the campus of Angelo State University. Provides that it is the intent of the legislature that all state agencies

and institutions of higher education utilize the center for data operations, testing disaster recovery plans, and disaster recovery services. Prohibits funds appropriated by the legislature from being expended for entering into or renewing contracts or issuing purchase orders for data center operations, disaster recovery plan testing services, or disaster recovery services from other state agencies or other providers of these services without first obtaining a waiver from LBB certifying that the requested service requirements cannot be provided at reasonable costs through the center. Requires waiver requests to be evaluated by LBB based on best value to the state, rather than best value to the state agency or institution of higher education requesting the waiver. Requires agencies and institutions of higher education, prior to requesting a waiver from LBB, to first provide the operational vendor of the center with a comprehensive statement of work sufficient for the operational vendor to provide an accurate cost estimate for cost comparison purposes. Requires state agencies and institutions of higher education, prior to initiating the waiver process, to also coordinate with DIR regarding appropriate time frames for preparation of the statement of work, pricing, cost comparison, and transition. Requires agencies and institutions of higher education to use the State Auditor's Report No. 95-139 in evaluating cost comparison. Authorizes LBB to request assistance from the State Auditor's Office in validating cost evaluations. Authorizes waivers to be granted for specific periods of time and prohibits any contracts for services obtained under waiver from extending beyond the expiration date of the waiver. Requires state agencies and institutions of higher education, once a waiver has been granted, to provide a comparison of actual costs versus the projected costs used to obtain the waiver on an annual basis to LBB.

(c) Requires state agencies and institutions of higher education that use the center to do so under contract with DIR. Authorizes DIR to collect fees for these services in amounts that offset the direct and indirect costs of providing he services. Authorizes DIR to request assistance from the State Auditor regarding the billing system formula for offsetting service costs. Requires DIR, in order for the state to realize maximum costs savings and operational efficiencies, to work with LBB, the State Auditor's Office, and the center's operational vendor to develop a comprehensive information technology consolidation plan. Requires DIR to file a written report of the plan with certain individuals by May 31, 2004.

SECTION 24. Amends Subsections (a) and (c), Sections 2055.101, Government Code, as follows:

(a) Requires DIR, in coordination with the governor and the quality assurance team, to develop selection criteria for the type of electronic government projects that require direct oversight by the office.

(c) Authorizes the DIR rather the office, based on any selection criteria adopted under Subsection (b) rather than in coordination with the governor, state auditor, and LBB, to select proposed or existing electronic government projects, including consortia projects. Deletes current text referring to certain entities.

SECTION 25. Amends Subsection (a), Section 2055.153, Government Code, to Require DIR, rather than the office, to establish a state agency reporting system that requires state agencies to report to the office on certain projects. Deletes text referring to coordination with the quality assurance team of the LBB and the state auditor.

SECTION 26. Amends Chapter 2055D, Government Code, by adding Section 2055.154, as follows:

Sec. 2055.154. REPORT ON FUNDING MODEL AND PERFORMANCE MEASURES. Requires the office to track its progress against the funding model established under Section 2055.057 and the performance measures established under

Section 2055.060. Requires the office to regularly report on the progress to certain individuals agencies.

SECTION 27. Amends Chapter 2054, Government Code, by adding Subchapter L, as follows:

SUBCHAPTER L. SMALL STATE AGENCIES

Sec. 2054.401. DEFINITION. Defines “small state agency.”

Sec. 2054.402. SMALL STATE AGENCIES CONSOLIDATION PLAN. (a) Requires DIR, in consultation with the Texas Small State Agency Task Force, to develop, modify, and implement a plan to consolidate information technology at small state agencies.

(b) Requires the plan to include certain information.

Sec. 2054.403. COMPLIANCE BY SMALL STATE AGENCIES; FUNDING. (a) Requires each small state agency to comply with the consolidation plan developed under Section 2054.402.

(b) Requires the comptroller, at the request of DIR, to deny a small state agency access to information technology appropriations if the agency does not comply with the consolidation plan.

Sec. 2054.404. AGREEMENTS FOR TECHNOLOGY SERVICES BY SMALL STATE AGENCIES; FUNDING. (a) Requires each small state agency to enter into a service level agreement with DIR for the agency’s technology services.

(b) Requires DIR to recover costs incurred by DIR in executing the agreement based on a cost-recovery model developed by DIR.

(c) Provides that a small state agency may not spend appropriated money for technology services from other providers of services if the services are otherwise provided by DIR.

Sec. 2054.405. SMALL AGENCY INFORMATION RESOURCE MANAGER; EXEMPTION BY RULE. (a) Requires DIR to designate a DIR employee to serve as information resources manager for small state agencies.

(b) Requires the designated information resources manager to submit the agency’s information resources strategic plan, biennial operating plan, information technology funding requests, and other required information technology reports on behalf of the small state agencies.

(c) Requires DIR by rule to exempt small state agencies from compliance with Section 2054.075.

Sec. 2054.406. EXEMPTIONS; APPEAL. (a) Authorizes DIR to grant an exemption under this section from certain requirements of this subchapter to a small state agency that contracts with other persons for information technology services, if the services can be documented to be the best value to the state.

(b) Authorizes a state agency that disagrees with DIR’s decision regarding an exemption for that agency to appeal to the governor. Provides that the governor’s decision on the exemption is final.

(c) Provides that Sections 2054.403, 2054.404, and 2054.405(a) do not apply to a state agency that is exempt under this section.

SECTION 28. (a) Requires DIR to develop a certain plan and model by February 1, 2004.

(b) Requires DIR to not later than September 1, 2004, implement the plan as required by Section 2054.402, Government Code, as added by this Act, and recover costs under the model as required by Section 2054.404, Government Code, as added by this Act. Provides that a state agency is not required to comply with Section 2054.403, Government Code, as added by this Act, until the plan is implemented or Section 2054.404, Government Code, as added by this Act, until the department assesses costs under the model.

SECTION 29. Repealer: 2054.1181(c) (Oversight of Major Information Resources Projects), and Section 2055.059 (Use of West Texas Disaster Recovery and Operations), Government Code.

SECTION 30. Requires DIR, to allow state agencies to reduce design and software licensing costs, to coordinate with the governor to move control of the GovernmentDomain.com Internet website to DIR and to promote the reuse of software purchased with public money.

SECTION 31. Effective date: September 1, 2003.