

By: Wentworth

S.B. No. 1701

A BILL TO BE ENTITLED

AN ACT

relating to the Department of Information Resources' management of certain electronic and telecommunications projects.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2054.003, Government Code, as amended by Chapters 1272 and 1422, Acts of the 77th Legislature, Regular Session, 2001, is amended by adding Subdivision (16) to read as follows:

(16) "Quality assurance team" means the quality assurance team established under Section 2054.158.

SECTION 2. Subsection (b), Section 2054.091, Government Code, is amended to read as follows:

(b) In preparing the state strategic plan, the executive director shall assess and report on:

(1) practices of state agencies regarding information resources management, including interagency and interbranch communication and interagency resource sharing;

(2) current and future information resources management technologies and practices and their potential application to state government; ~~and~~

(3) return on investment guidelines established by the department to help state agencies to implement major information resources projects more effectively; and

(4) any issue the department determines is relevant to

1 the development of the state strategic plan.

2 SECTION 3. Section 2054.092, Government Code, is amended to
3 read as follows:

4 Sec. 2054.092. CONTENT OF STATE STRATEGIC PLAN. (a) The
5 state strategic plan must be prepared in coordination with the
6 quality assurance team and state agency information resources
7 managers.

8 (b) The plan must:

9 (1) provide a strategic direction for information
10 resources management in state government for the five fiscal years
11 following adoption of the plan;

12 (2) outline a state information architecture that
13 contains a logically consistent set of principles, policies, and
14 standards to guide the engineering of state government's
15 information technology systems and infrastructure in a way that
16 ensures compatibility and alignment with state government's needs;

17 (3) designate and report on critical electronic
18 government projects to be directed by the department, including a
19 project for electronic purchasing;

20 (4) provide information about~~[, including providing~~
21 ~~a]~~ best practices [model] to assist state agencies in adopting
22 effective information management methods, including the design,
23 deployment, and management of information resources projects,
24 cost-benefit analyses, and staff reengineering methods to take full
25 advantage of technological advancements ~~[and obtaining effective~~
26 ~~information resources technologies];~~

27 (5) establish reporting guidelines for state agencies

1 to report in [~~(2)~~ ~~provide guidance to state agencies in the~~
2 ~~development of the~~] agency strategic plans:

3 (A) the outcomes and progress related to the
4 strategic direction of the state;

5 (B) information necessary to evaluate
6 opportunities for information technology consolidation;

7 (C) progress toward implementing electronic
8 government projects designated under Subdivision (3);

9 (D) the return on investment for projects and
10 cost-benefit models for the projects; and

11 (E) other provisions in this section;

12 (6) [~~(3)~~ ~~establish goals and objectives relating to~~
13 ~~information resources management,~~

14 ~~(4)] provide long-range policy guidelines for~~
15 ~~information resources in state government, including the~~
16 ~~implementation of national, [and] international, and department~~
17 ~~standards for information resources technologies;~~

18 (7) [~~(5)~~ ~~identify major issues faced by state~~
19 ~~agencies related to the acquisition of computer hardware, computer~~
20 ~~software, and information resources technology services and~~
21 ~~develop a statewide approach to address the issues, including:~~

22 (A) developing performance measures for
23 purchasing and contracting; and

24 (B) identifying opportunities to reuse computer
25 software code purchased with public funds [~~relating to improved~~
26 ~~information resources management, including the identification of~~
27 ~~needed procurement policy initiatives to encourage competition~~

1 ~~between providers of information resources technologies~~]; and

2 (8) ~~[(6)]~~ identify priorities for:

3 (A) the implementation of information resources
4 technologies according to the relative economic and social impact
5 on the state; and

6 (B) return on investment and cost-benefit
7 analysis strategies.

8 SECTION 4. Subsections (c) and (d), Section 2054.095,
9 Government Code, are amended to read as follows:

10 (c) The department shall ~~[Legislative Budget Board may]~~
11 prescribe the format required for an agency strategic plan.

12 (d) The department shall ~~[Legislative Budget Board may]~~
13 adopt instructions, consistent with Section 2054.096, that guide
14 state agencies in the preparation of their agency strategic plans.
15 ~~[The instructions may include the general criteria under which the~~
16 ~~Legislative Budget Board will evaluate the plan.]~~

17 SECTION 5. Subsection (a), Section 2054.096, Government
18 Code, is amended to read as follows:

19 (a) Each agency strategic plan must be consistent with the
20 state strategic plan and include:

21 (1) a statement of the state agency's goals,
22 objectives, and programs as found in the agency's legislative
23 appropriations request;

24 (2) a description of the agency's major data bases and
25 their applications;

26 (3) a description of the agency's information
27 resources management organizations, policies, and practices;

1 (4) a description of interagency computer networks in
2 which the agency participates;

3 (5) a statement of the strategic objectives of the
4 agency relating to information resources management for the next
5 five fiscal years, beginning with the fiscal year during which the
6 plan is submitted, with a description of how those objectives help
7 achieve the agency's programs and goals, and a description of how
8 those objectives support and promote the goals and policies of the
9 state strategic plan; ~~and~~

10 (6) a description of any information resources
11 technology projects proposed by the agency, including:

12 (A) a statement of how the projects relate to
13 similar projects, as identified by the department, implemented or
14 proposed by other agencies; ~~and~~

15 (B) a description of any proposed plans for
16 coordinating the projects with other agencies;

17 (C) a statement of how projects proposed or
18 described under this subsection will provide a return on investment
19 according to guidelines developed by the department; and

20 (D) a detailed description of the past
21 performance of projects implemented under this subsection;

22 (7) the status of the agency's quality assurance
23 initiatives for:

24 (A) security; and

25 (B) major information resources projects;

26 (8) a description of measures taken by the agency to
27 comply with department rules and standards; and

1 (9) [~~(7)~~] other planning components that the
2 department [~~Legislative Budget Board~~] may prescribe.

3 SECTION 6. Section 2054.097, Government Code, is amended to
4 read as follows:

5 Sec. 2054.097. REVIEW OF AGENCY STRATEGIC PLAN. (a) A
6 state agency shall send its strategic plan to the quality assurance
7 team [~~Legislative Budget Board~~] and the department for review.

8 (b) The [~~Legislative Budget Board or the~~] department, in
9 coordination with the quality assurance team, shall [~~may~~] report to
10 the agency, and may report to the governor [~~, the state auditor,~~] and
11 the presiding officer of each house of the legislature, that an
12 agency strategic plan or plan amendment is not in compliance with
13 the state strategic plan or best suited to the state agency's
14 execution of its own duty.

15 SECTION 7. Subsections (a) and (b), Section 2054.100,
16 Government Code, are amended to read as follows:

17 (a) Each state agency shall submit an operating plan to the
18 Legislative Budget Board, the department, the quality assurance
19 team, and the governor each state fiscal biennium in accordance
20 with the directions of the Legislative Budget Board.

21 (b) The plan must describe the agency's current and proposed
22 projects for the biennium, including how the projects will:

23 (1) benefit individuals in this state and benefit the
24 state as a whole;

25 (2) use, to the fullest extent, technology owned or
26 adapted by other state agencies;

27 (3) employ, to the fullest extent, the department's

1 information technology standards, including Internet-based
2 technology standards;

3 (4) expand, to the fullest extent, to serve residents
4 of this state or to serve other state agencies;

5 (5) develop on time and on budget;

6 (6) produce quantifiable returns on investment; and

7 (7) meet any other criteria developed by the
8 department or the quality assurance team.

9 SECTION 8. Section 2054.102, Government Code, is amended to
10 read as follows:

11 Sec. 2054.102. EVALUATION AND APPROVAL OF OPERATING PLANS.

12 (a) The Legislative Budget Board may specify procedures for the
13 submission, review, approval, and disapproval of biennial
14 operating plans and amendments, including procedures for review or
15 reconsideration of the Legislative Budget Board's disapproval of a
16 biennial operating plan or biennial operating plan amendment.

17 (b) The department must provide the Legislative Budget
18 Board with a list of agencies that have not complied with department
19 standards, provisions in the state strategic plan, and corrective
20 action plans. The agencies must develop corrective action plans
21 signed off on by the department that specify how deficiencies will
22 be corrected before components of the agency biennial operating
23 plan can be approved by the Legislative Budget Board. The governing
24 board of the department shall adopt rules as necessary to establish
25 the department standards.

26 SECTION 9. Section 2054.118, Government Code, is amended by
27 amending Subsections (a) and (b) and adding Subsection (d) to read

1 as follows:

2 (a) A state agency may not spend appropriated funds for a
3 major information resources project unless the project has been
4 approved by:

5 (1) the Legislative Budget Board in the agency's
6 biennial operating plan; and

7 (2) the quality assurance team.

8 (b) The department shall develop rules or guidelines for its
9 review of major information resources projects, including
10 guidelines for software development and quality assurance. The
11 department shall also assist the Legislative Budget Board in
12 evaluating the determinations about comparative costs and benefits
13 that state agencies make under Subsection (c).

14 (d) Before a state agency may initially spend appropriated
15 funds for a major information resources project, the state agency
16 must quantitatively define the expected outcomes and outputs for
17 the project and provide that information to the quality assurance
18 team.

19 SECTION 10. Section 2054.1181, Government Code, is amended
20 by amending Subsection (a) and adding Subsections (d) through (i)
21 to read as follows:

22 (a) The quality assurance team, in coordination with the
23 governor, may recommend major information resources projects to
24 [department shall create a division in] the department for
25 oversight [to oversee the implementation of major information
26 resources projects]. As part of this oversight, the department
27 shall provide risk management, quality assurance services,

1 independent project monitoring, and project management. A state
2 agency with a project selected for oversight shall pay for
3 oversight by the department and quality assurance team based on a
4 funding model developed by the department.

5 (d) The quality assurance team shall evaluate major
6 information resources projects to determine if the projects are
7 operating on time and within budget.

8 (e) If the quality assurance team determines that a major
9 information resources project is poorly managed or has excessive
10 cost overruns, the quality assurance team may:

11 (1) establish a corrective action plan, including
12 modifications to the design, deployment, or costs related to the
13 project; or

14 (2) discontinue the project, subject to Legislative
15 Budget Board approval.

16 (f) The quality assurance team may review and analyze a
17 project's risk to determine whether to approve a project for the
18 expenditure of funds under Section 2054.118(a). When conducting
19 this review, the quality assurance team shall comply with
20 department rules and guidelines. A state agency shall provide the
21 quality assurance team any information necessary for the quality
22 assurance team to determine the project's potential risk. The
23 quality assurance team may approve a project without the review.

24 (g) The quality assurance team may require a state agency to
25 provide information on:

26 (1) the status of a major information resources
27 project;

1 (2) the costs for a major information resources
2 project;

3 (3) the risk associated with a major information
4 resources project; and

5 (4) a major information resources project's general
6 potential for success.

7 (h) On request by the quality assurance team, the state
8 auditor shall audit and review major information resources projects
9 and the information provided by the state agencies under this
10 section.

11 (i) On request by the quality assurance team, the
12 comptroller shall provide assistance regarding:

13 (1) verifying the accuracy of information provided by
14 state agencies on project costs under this section; and

15 (2) determining a state agency's compliance with this
16 section.

17 SECTION 11. Subchapter F, Chapter 2054, Government Code, is
18 amended by adding Sections 2054.1182 and 2054.1183 to read as
19 follows:

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

25 (b) The state auditor may:

26 (1) provide an independent evaluation of the completed
27 project to ensure the validity of the results reported under

1 Subsection (a); and

2 (2) send the evaluation to the legislative audit
3 committee.

4 Sec. 2054.1183. ANNUAL REPORT ON MAJOR INFORMATION
5 RESOURCES PROJECTS. Not later than December 1 of each year, the
6 quality assurance team shall report on the status of major
7 information resources projects to the:

8 (1) governor;

9 (2) lieutenant governor;

10 (3) speaker of the house of representatives;

11 (4) presiding officer of the committee in the house of
12 representatives with primary responsibility for appropriations;
13 and

14 (5) presiding officer of the committee in the senate
15 with primary responsibility for appropriations.

16 SECTION 12. The heading to Subchapter G, Chapter 2054,
17 Government Code, is amended to read as follows:

18 SUBCHAPTER G. [~~INTERNAL~~] QUALITY ASSURANCE

19 SECTION 13. Subchapter G, Chapter 2054, Government Code, is
20 amended by adding Section 2054.158 to read as follows:

21 Sec. 2054.158. QUALITY ASSURANCE TEAM. The state auditor,
22 Legislative Budget Board, and department shall:

23 (1) create a quality assurance team to perform the
24 duties specified in this chapter and other law; and

25 (2) specify in writing the responsibilities of the
26 state auditor, Legislative Budget Board, and department in
27 performing the duties.

1 SECTION 14. Subsections (b) and (c), Section 2054.2051,
2 Government Code, are amended to read as follows:

3 (b) The telecommunications planning and oversight council
4 shall develop performance measures to establish cost-effective
5 ~~[for the]~~ operations and staffing ~~[staff]~~ of the consolidated
6 telecommunications system and the centralized capitol complex
7 telephone system.

8 (c) The telecommunications planning and oversight council
9 shall review ~~[every three months]~~ the status of all projects
10 related to and the financial performance of the consolidated
11 telecommunications system and the centralized capitol complex
12 telephone system, including:

13 (1) a comparison between actual performance and
14 projected goals at least once every three months; and

15 (2) any benefit of contracting with private vendors to
16 provide some or all of the systems at least once each year.

17 SECTION 15. Section 2055.001, Government Code, is amended
18 by amending Subdivision (1) and adding Subdivision (5) to read as
19 follows:

20 (1) "Board," "department," "electronic government
21 project," "local government," "major information resources
22 project," "quality assurance team," and "TexasOnline" have the
23 meanings assigned by Section 2054.003.

24 (5) "Consortia project" means an electronic
25 government project involving multiple state agencies and designed
26 to establish common information resources infrastructure.

27 SECTION 16. The heading to Subchapter B, Chapter 2055,

1 Government Code, is amended to read as follows:

2 SUBCHAPTER B. DEPARTMENT OF INFORMATION RESOURCES;

3 PROGRAM MANAGEMENT OFFICE

4 SECTION 17. Section 2055.051, Government Code, is amended
5 to read as follows:

6 Sec. 2055.051. CREATION; OVERSIGHT. (a) The department
7 shall manage [~~create~~] an Electronic Government Program Management
8 Office within the department to direct and facilitate the
9 implementation of electronic government projects selected under
10 this chapter.

11 (b) The office is under the direct authority and oversight
12 of the department.

13 SECTION 18. Section 2055.052, Government Code, is amended
14 to read as follows:

15 Sec. 2055.052. GENERAL POWERS AND DUTIES. The department
16 [~~office~~] shall:

17 (1) establish and support standard business practices
18 for electronic government projects;

19 (2) coordinate and establish standards for
20 implementation of electronic government projects;

21 (3) identify and incorporate best practices for
22 electronic government projects in such areas as:

23 (A) the procurement of hardware, software, and
24 technology services;

25 (B) project support;

26 (C) implementation strategies;

27 (D) project planning and scheduling;

- (E) quality assurance;
- (F) overall team coordination;
- (G) status reporting; and
- (H) technical standards; and

(4) establish, direct, and provide risk management and quality assurance services for electronic government projects, including consortia projects.

SECTION 19. Section 2055.054, Government Code, is amended to read as follows:

Sec. 2055.054. COORDINATION AMONG STATE AGENCIES; APPROVAL OF SPENDING. (a) In coordination with the Legislative Budget Board and the governor [~~comptroller~~], the department [~~office~~] shall:

(1) identify the resources necessary for projects and opportunities among multiple state agencies for the coordination of electronic government projects; and

(2) approve spending of money for electronic government projects by affected state agencies under Section 2055.101.

(b) The office, in coordination with state agency information resources managers, shall create state agency coordination teams, as appropriate, to reduce information technology expenditures and eliminate unnecessary duplication.

SECTION 20. Subsection (c), Section 2055.055, Government Code, is amended to read as follows:

(c) The department, in consultation with the quality assurance team, [~~office~~] shall establish standards for state

1 agencies to follow in implementing:

2 (1) selected electronic government projects to ensure
3 maximum savings through cooperation among agencies;

4 (2) major information resources projects; and

5 (3) consortia projects.

6 SECTION 21. Section 2055.057, Government Code, is amended
7 to read as follows:

8 Sec. 2055.057. FUNDING FOR PROGRAM MANAGEMENT OFFICE AND
9 CERTAIN PROJECTS. (a) In coordination with the governor
10 [~~comptroller, Governor's Office of Budget and Planning, state~~
11 ~~auditor,~~] and the quality assurance team [~~Legislative Budget~~
12 ~~Board~~], the department [~~office~~] shall develop a model for funding
13 consortia projects and the office from a portion of the money
14 appropriated for projects selected under Section 2055.101,
15 including funding staff necessary for the office. The model must:

16 (1) describe how to provide the office with the
17 staffing and other resources necessary for the office to manage the
18 projects it selects; and

19 (2) establish savings, cost avoidance, and other
20 values that result from the consortia projects.

21 (b) The department, in coordination with the quality
22 assurance team, shall recommend to the Legislative Budget Board and
23 the governor [~~may include in its appropriations request~~] a proposal
24 for funding consortia projects selected under Section 2055.101.

25 SECTION 22. Subchapter B, Chapter 2055, Government Code, is
26 amended by adding Section 2055.060 to read as follows:

27 Sec. 2055.060. PERFORMANCE MEASURES. The department shall

1 consult with the Legislative Budget Board to establish a
2 performance measure for the office to identify and measure the
3 value provided to projects selected under Section 2055.101,
4 including the amount of savings, cost avoidance, and other return
5 on investment criteria that the office achieves.

6 SECTION 23. Subchapter B, Chapter 2055, Government Code, is
7 amended by adding Section 2055.061 to read as follows:

8 Sec. 2055.061. STATE DATA CENTER. (a) In this section,
9 "center" means the Texas State Data Center and "best value" means
10 the lowest overall cost.

11 (b) The department shall operate or, through cooperative
12 agreement, manage operations of the Texas State Data Center on the
13 campus of Angelo State University. It is the intent of the
14 legislature that all state agencies and institutions of higher
15 education utilize the center for data center operations, testing
16 disaster recovery plans, and disaster recovery services. Funds
17 appropriated by the legislature may not be expended for entering
18 into or renewing contracts or issuing purchase orders for data
19 center operations, disaster recovery plan testing services, or
20 disaster recovery services from other state agencies or other
21 providers of these services without first obtaining a waiver from
22 the Legislative Budget Board certifying that the requested service
23 requirements cannot be provided at reasonable costs through the
24 center. Waiver requests shall be evaluated by the Legislative
25 Budget Board based on best value to the state, rather than best
26 value to the state agency or institution of higher education
27 requesting the waiver. Prior to requesting a waiver from the

1 Legislative Budget Board, agencies and institutions of higher
2 education must first provide the operational vendor of the center
3 with a comprehensive statement of work sufficient for the
4 operational vendor to provide an accurate cost estimate for cost
5 comparison purposes. Prior to initiating the waiver process, state
6 agencies and institutions of higher education must also coordinate
7 with the department regarding appropriate time frames for
8 preparation of the statement of work, pricing, cost comparison, and
9 transition. Agencies and institutions of higher education shall
10 use the State Auditor's Report No. 95-139 in evaluating cost
11 comparison. The Legislative Budget Board may request assistance
12 from the State Auditor's Office in validating cost evaluations.
13 Waivers may be granted for specific periods of time and any
14 contracts for services obtained under waiver may not extend beyond
15 the expiration date of the waiver. Once a waiver has been granted,
16 state agencies and institutions of higher education must provide a
17 comparison of actual costs versus the projected costs used to
18 obtain the waiver on an annual basis to the Legislative Budget
19 Board.

20 (c) State agencies and institutions of higher education
21 that use the center shall do so under contract with the department.
22 The department may collect fees for these services in amounts that
23 offset the direct and indirect costs of providing the services. The
24 department may request assistance from the State Auditor regarding
25 the billing system formula for offsetting service costs. In order
26 for the state to realize maximum costs savings and operational
27 efficiencies, the department shall work with the Legislative Budget

1 Board, the State Auditor's Office, and the center's operational
2 vendor to develop a comprehensive information technology
3 consolidation plan. The department shall file a written report of
4 the plan with the governor, the lieutenant governor, and the
5 speaker of the house of representatives not later than May 31, 2004.

6 SECTION 24. Subsections (a) and (c), Section 2055.101,
7 Government Code, are amended to read as follows:

8 (a) The department [~~office~~], in coordination with the
9 governor and the quality assurance team, [~~state auditor, and~~
10 ~~Legislative Budget Board,~~] shall develop selection criteria for the
11 type of electronic government projects that require direct
12 oversight by the office. The criteria must include:

13 (1) issues related to interagency cooperation and
14 implementation;

15 (2) costs, including reimbursement strategies;

16 (3) requirements for authentication and security
17 implications; and

18 (4) the state's strategic vision regarding electronic
19 government projects.

20 (c) Based on any selection criteria adopted under
21 Subsection (b) [~~and in coordination with the governor, state~~
22 ~~auditor, and Legislative Budget Board~~], the department [~~office~~] may
23 select proposed or existing electronic government projects,
24 including consortia projects.

25 SECTION 25. Subsection (a), Section 2055.153, Government
26 Code, is amended to read as follows:

27 (a) The department [~~In coordination with the quality~~

1 ~~assurance team of the Legislative Budget Board and the state~~
2 ~~auditor, the office]~~ shall establish a state agency reporting
3 system that requires state agencies to report to the office on:

4 (1) electronic government projects selected under
5 Section 2055.101 so that the office may effectively monitor those
6 projects; and

7 (2) all other electronic government projects for that
8 agency.

9 SECTION 26. Subchapter D, Chapter 2055, Government Code, is
10 amended by adding Section 2055.154 to read as follows:

11 Sec. 2055.154. REPORT ON FUNDING MODEL AND PERFORMANCE
12 MEASURES. The office shall track its progress against the funding
13 model established under Section 2055.057 and the performance
14 measures established under Section 2055.060. The office shall
15 regularly report on the progress to:

16 (1) each state agency with a project selected under
17 Section 2055.101;

18 (2) the quality assurance team;

19 (3) the governor;

20 (4) the speaker of the house of representatives;

21 (5) the lieutenant governor; and

22 (6) the presiding officer of each committee in the
23 legislature with primary oversight over the department.

24 SECTION 27. Section 2157.005, Government Code, is amended
25 by adding Subsection (d) to read as follows:

26 (d) This section does not apply to the purchase of a
27 wireless communications device to be used by peace officers,

1 firefighters, and other emergency response personnel to respond to
2 a public safety emergency.

3 SECTION 28. Subsection (c), Section 2054.1181, and Section
4 2055.059, Government Code, are repealed.

5 SECTION 29. To allow state agencies to reduce design and
6 software licensing costs, the Department of Information Resources
7 shall coordinate with the governor to move information on the
8 GovernmentDomain.com Internet website to the department and to
9 promote the reuse of software purchased with public money.

10 SECTION 30. This Act takes effect September 1, 2003.