

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.

COMMITTEE AMENDMENT NO. 1

Strike section 23 and replace with the following:

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

Sec. 2055.061. STATE DATA CENTER. (a) In this section:

(1) "Center" means the State Data Center.

(2) "Best value" has the meaning assigned under Section 2157.003, Government Code.

(b) The department shall operate, or through cooperative agreement, manage operations of the State Data Center on the campus of Angelo State University. It is the intent of the Legislature that all state agencies and institutions of higher education utilize the Center for data center operations, testing disaster recovery plans, and for disaster recovery services. None of the funds appropriated by this Act may be 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 the Legislative Budget Board certifying that the requested service requirements cannot be provided at reasonable costs through the Center. Waiver requests will be evaluated by the Legislative Budget Board, based on best value to the State, rather than best value to the state agency or institution of higher education requesting the waiver. Prior to requesting a waiver from the Legislative Budget Board, agencies and institutions of higher education must first provide the operational vendor of the Center

1 with a comprehensive statement of work sufficient for the  
2 operational vendor to provide an accurate cost estimate for cost  
3 comparison purposes. Prior to initiating the waiver process, state  
4 agencies and institutions of higher education must also coordinate  
5 with the department regarding appropriate time frames for  
6 preparation of the statement of work, pricing, cost comparison and  
7 transition.

8 Agencies and institutions of higher education shall use the State  
9 Auditor's Report 95-139 in evaluating cost comparison. The  
10 Legislative Budget Board, may request assistance from the State  
11 Auditor's Office in validating cost evaluations. Waivers may be  
12 granted for specific periods of time and any contracts for services  
13 obtained under waiver may not extend beyond the expiration date of  
14 the waiver. Once a waiver has been granted, state agencies and  
15 institutions of higher education must provide a comparison of  
16 actual costs versus the projected costs used to obtain the waiver on  
17 an annual basis to the Legislative Budget Board.

18 (c) State agencies and institutions of higher education  
19 that use the Center shall do so under contract with the department.  
20 The department may collect fees for these services in amounts that  
21 offset the direct and indirect costs of providing the services. The  
22 department may request assistance from the State Auditor regarding  
23 the billing system formula for offsetting service costs. In order  
24 for the state to realize maximum cost savings and operational  
25 efficiencies, the department, in consultation with the Legislative  
26 Budget Board, the State Auditor's Office and the Center's  
27 operational vendor, will develop a comprehensive information

1 technology consolidation plan and provide information relating to  
2 the use of the Center as a location for one of the state's  
3 consolidated data centers. The department shall file a written  
4 report of the plan with the Governor, the Lieutenant Governor, and  
5 the Speaker of the House of Representatives not later than May 31,  
6 2004.

7 Allen

8 COMMITTEE AMENDMENT NO. 2

9 Strike Section 8 and replace with the following:

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

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

13 (a) The Legislative Budget Board may specify procedures for the  
14 submission, review, approval, and disapproval of biennial  
15 operating plans and amendments, including procedures for review or  
16 reconsideration of the Legislative Budget Board's disapproval of a  
17 biennial operating plan or biennial operating plan amendment. The  
18 Legislative Budget Board shall review and approve or disapprove the  
19 biennial operating plan or biennial operating plan amendment not  
20 later than the 60th day after the date the plan or amendment to the  
21 plan is submitted. The plan or amendment to the plan is considered  
22 to be approved on the 61st day after the date the plan or amendment  
23 is submitted if the Legislative Budget Board does not disapprove  
24 the plan or amendment before that date.

25 (b) The governing board of the department shall adopt rules  
26 as necessary to establish department standards.

27 (c) The department shall provide the Legislative Budget

1 Board with a list of agencies that have not complied with department  
2 standards, provisions of the state strategic plan, or corrective  
3 action plans. An agency identified on a list under this subsection  
4 shall develop a corrective action plan approved by the department  
5 that specifies the manner in which deficiencies will be corrected  
6 before components of or amendments to the agency's biennial  
7 operating plan may be approved by the Legislative Budget Board.

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Allen