

1-1 By: Wentworth S.B. No. 1701  
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read  
1-3 first time and referred to Committee on Government Organization;  
1-4 April 15, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 15, 2003,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1701 By: Wentworth

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the Department of Information Resources' management of  
1-11 certain electronic and telecommunications projects.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 2054.003, Government Code, as amended by  
1-14 Chapters 1272 and 1422, Acts of the 77th Legislature, Regular  
1-15 Session, 2001, is amended by adding Subdivision (16) to read as  
1-16 follows:

1-17 (16) "Quality assurance team" means the quality  
1-18 assurance team established under Section 2054.158.

1-19 SECTION 2. Subsection (b), Section 2054.091, Government  
1-20 Code, is amended to read as follows:

1-21 (b) In preparing the state strategic plan, the executive  
1-22 director shall assess and report on:

1-23 (1) practices of state agencies regarding information  
1-24 resources management, including interagency and interbranch  
1-25 communication and interagency resource sharing;

1-26 (2) current and future information resources  
1-27 management technologies and practices and their potential  
1-28 application to state government; ~~and~~

1-29 (3) return on investment guidelines established by the  
1-30 department to help state agencies to implement major information  
1-31 resources projects more effectively; and

1-32 (4) any issue the department determines is relevant to  
1-33 the development of the state strategic plan.

1-34 SECTION 3. Section 2054.092, Government Code, is amended to  
1-35 read as follows:

1-36 Sec. 2054.092. CONTENT OF STATE STRATEGIC PLAN. (a) The  
1-37 state strategic plan must be prepared in coordination with the  
1-38 quality assurance team and state agency information resources  
1-39 managers.

1-40 (b) The plan must:

1-41 (1) provide a strategic direction for information  
1-42 resources management in state government for the five fiscal years  
1-43 following adoption of the plan;

1-44 (2) outline a state information architecture that  
1-45 contains a logically consistent set of principles, policies, and  
1-46 standards to guide the engineering of state government's  
1-47 information technology systems and infrastructure in a way that  
1-48 ensures compatibility and alignment with state government's needs;

1-49 (3) designate and report on critical electronic  
1-50 government projects to be directed by the department, including a  
1-51 project for electronic purchasing;

1-52 (4) provide information about~~[, including providing~~  
1-53 a] best practices ~~[model]~~ to assist state agencies in adopting  
1-54 effective information management methods, including the design,  
1-55 deployment, and management of information resources projects,  
1-56 cost-benefit analyses, and staff reengineering methods to take full  
1-57 advantage of technological advancements ~~[and obtaining effective~~  
1-58 information resources technologies];

1-59 (5) establish reporting guidelines for state agencies  
1-60 to report in ~~[(2) provide guidance to state agencies in the~~  
1-61 development of the] agency strategic plans;

1-62 (A) the outcomes and progress related to the  
1-63 strategic direction of the state;

2-1 (B) information necessary to evaluate  
 2-2 opportunities for information technology consolidation;

2-3 (C) progress toward implementing electronic  
 2-4 government projects designated under Subdivision (3);

2-5 (D) the return on investment for projects and  
 2-6 cost-benefit models for the projects; and

2-7 (E) other provisions in this section;

2-8 (6) [~~(3)~~ establish goals and objectives relating to  
 2-9 information resources management;

2-10 [~~(4)~~] provide long-range policy guidelines for  
 2-11 information resources in state government, including the  
 2-12 implementation of national, [~~and~~] international, and department  
 2-13 standards for information resources technologies;

2-14 (7) [~~(5)~~] identify major issues faced by state  
 2-15 agencies related to the acquisition of computer hardware, computer  
 2-16 software, and information resources technology services and  
 2-17 develop a statewide approach to address the issues, including:

2-18 (A) developing performance measures for  
 2-19 purchasing and contracting; and

2-20 (B) identifying opportunities to reuse computer  
 2-21 software code purchased with public funds [~~relating to improved~~  
 2-22 information resources management, including the identification of  
 2-23 needed procurement policy initiatives to encourage competition  
 2-24 between providers of information resources technologies]; and

2-25 (8) [~~(6)~~] identify priorities for:

2-26 (A) the implementation of information resources  
 2-27 technologies according to the relative economic and social impact  
 2-28 on the state; and

2-29 (B) return on investment and cost-benefit  
 2-30 analysis strategies.

2-31 SECTION 4. Subsections (c) and (d), Section 2054.095,  
 2-32 Government Code, are amended to read as follows:

2-33 (c) The department shall [~~Legislative Budget Board may~~]  
 2-34 prescribe the format required for an agency strategic plan.

2-35 (d) The department shall [~~Legislative Budget Board may~~]  
 2-36 adopt instructions, consistent with Section 2054.096, that guide  
 2-37 state agencies in the preparation of their agency strategic plans.  
 2-38 [~~The instructions may include the general criteria under which the~~  
 2-39 ~~Legislative Budget Board will evaluate the plan.~~]

2-40 SECTION 5. Subsection (a), Section 2054.096, Government  
 2-41 Code, is amended to read as follows:

2-42 (a) Each agency strategic plan must be consistent with the  
 2-43 state strategic plan and include:

2-44 (1) a statement of the state agency's goals,  
 2-45 objectives, and programs as found in the agency's legislative  
 2-46 appropriations request;

2-47 (2) a description of the agency's major data bases and  
 2-48 their applications;

2-49 (3) a description of the agency's information  
 2-50 resources management organizations, policies, and practices;

2-51 (4) a description of interagency computer networks in  
 2-52 which the agency participates;

2-53 (5) a statement of the strategic objectives of the  
 2-54 agency relating to information resources management for the next  
 2-55 five fiscal years, beginning with the fiscal year during which the  
 2-56 plan is submitted, with a description of how those objectives help  
 2-57 achieve the agency's programs and goals, and a description of how  
 2-58 those objectives support and promote the goals and policies of the  
 2-59 state strategic plan; [~~and~~]

2-60 (6) a description of any information resources  
 2-61 technology projects proposed by the agency, including:

2-62 (A) a statement of how the projects relate to  
 2-63 similar projects, as identified by the department, implemented or  
 2-64 proposed by other agencies; [~~and~~]

2-65 (B) a description of any proposed plans for  
 2-66 coordinating the projects with other agencies;

2-67 (C) a statement of how projects proposed or  
 2-68 described under this subsection will provide a return on investment  
 2-69 according to guidelines developed by the department; and

3-1 (D) a detailed description of the past  
 3-2 performance of projects implemented under this subsection;

3-3 (7) the status of the agency's quality assurance  
 3-4 initiatives for:

3-5 (A) security; and

3-6 (B) major information resources projects;

3-7 (8) a description of measures taken by the agency to  
 3-8 comply with department rules and standards; and

3-9 (9) [~~(7)~~] other planning components that the  
 3-10 department [~~Legislative Budget Board~~] may prescribe.

3-11 SECTION 6. Section 2054.097, Government Code, is amended to  
 3-12 read as follows:

3-13 Sec. 2054.097. REVIEW OF AGENCY STRATEGIC PLAN. (a) A  
 3-14 state agency shall send its strategic plan to the quality assurance  
 3-15 team [~~Legislative Budget Board~~] and the department for review.

3-16 (b) The [~~Legislative Budget Board or the~~] department, in  
 3-17 coordination with the quality assurance team, shall [~~may~~] report to  
 3-18 the agency, and may report to the governor[, the state auditor,] and  
 3-19 the presiding officer of each house of the legislature, that an  
 3-20 agency strategic plan or plan amendment is not in compliance with  
 3-21 the state strategic plan or best suited to the state agency's  
 3-22 execution of its own duty.

3-23 SECTION 7. Subsections (a) and (b), Section 2054.100,  
 3-24 Government Code, are amended to read as follows:

3-25 (a) Each state agency shall submit an operating plan to the  
 3-26 Legislative Budget Board, the department, the quality assurance  
 3-27 team, and the governor each state fiscal biennium in accordance  
 3-28 with the directions of the Legislative Budget Board.

3-29 (b) The plan must describe the agency's current and proposed  
 3-30 projects for the biennium, including how the projects will:

3-31 (1) benefit individuals in this state and benefit the  
 3-32 state as a whole;

3-33 (2) use, to the fullest extent, technology owned or  
 3-34 adapted by other state agencies;

3-35 (3) employ, to the fullest extent, the department's  
 3-36 information technology standards, including Internet-based  
 3-37 technology standards;

3-38 (4) expand, to the fullest extent, to serve residents  
 3-39 of this state or to serve other state agencies;

3-40 (5) develop on time and on budget;

3-41 (6) produce quantifiable returns on investment; and

3-42 (7) meet any other criteria developed by the  
 3-43 department or the quality assurance team.

3-44 SECTION 8. Section 2054.102, Government Code, is amended to  
 3-45 read as follows:

3-46 Sec. 2054.102. EVALUATION AND APPROVAL OF OPERATING PLANS.  
 3-47 (a) The Legislative Budget Board may specify procedures for the  
 3-48 submission, review, approval, and disapproval of biennial  
 3-49 operating plans and amendments, including procedures for review or  
 3-50 reconsideration of the Legislative Budget Board's disapproval of a  
 3-51 biennial operating plan or biennial operating plan amendment.

3-52 (b) The department must provide the Legislative Budget  
 3-53 Board with a list of agencies that have not complied with department  
 3-54 standards, provisions in the state strategic plan, and corrective  
 3-55 action plans. The agencies must develop corrective action plans  
 3-56 signed off on by the department that specify how deficiencies will  
 3-57 be corrected before components of the agency biennial operating  
 3-58 plan can be approved by the Legislative Budget Board. The governing  
 3-59 board of the department shall adopt rules as necessary to establish  
 3-60 the department standards.

3-61 SECTION 9. Section 2054.118, Government Code, is amended by  
 3-62 amending Subsections (a) and (b) and adding Subsection (d) to read  
 3-63 as follows:

3-64 (a) A state agency may not spend appropriated funds for a  
 3-65 major information resources project unless the project has been  
 3-66 approved by:

3-67 (1) the Legislative Budget Board in the agency's  
 3-68 biennial operating plan; and

3-69 (2) the quality assurance team.

4-1 (b) The department shall develop rules or guidelines for its  
 4-2 review of major information resources projects, including  
 4-3 guidelines for software development and quality assurance. The  
 4-4 department shall also assist the Legislative Budget Board in  
 4-5 evaluating the determinations about comparative costs and benefits  
 4-6 that state agencies make under Subsection (c).

4-7 (d) Before a state agency may initially spend appropriated  
 4-8 funds for a major information resources project, the state agency  
 4-9 must quantitatively define the expected outcomes and outputs for  
 4-10 the project and provide that information to the quality assurance  
 4-11 team.

4-12 SECTION 10. Section 2054.1181, Government Code, is amended  
 4-13 by amending Subsection (a) and adding Subsections (d) through (i)  
 4-14 to read as follows:

4-15 (a) The quality assurance team, in coordination with the  
 4-16 governor, may recommend major information resources projects to  
 4-17 [department shall create a division in] the department for  
 4-18 oversight [to oversee the implementation of major information  
 4-19 resources projects]. As part of this oversight, the department  
 4-20 shall provide risk management, quality assurance services,  
 4-21 independent project monitoring, and project management. A state  
 4-22 agency with a project selected for oversight shall pay for  
 4-23 oversight by the department and quality assurance team based on a  
 4-24 funding model developed by the department.

4-25 (d) The quality assurance team shall evaluate major  
 4-26 information resources projects to determine if the projects are  
 4-27 operating on time and within budget.

4-28 (e) If the quality assurance team determines that a major  
 4-29 information resources project is poorly managed or has excessive  
 4-30 cost overruns, the quality assurance team may:

4-31 (1) establish a corrective action plan, including  
 4-32 modifications to the design, deployment, or costs related to the  
 4-33 project; or

4-34 (2) discontinue the project, subject to Legislative  
 4-35 Budget Board approval.

4-36 (f) The quality assurance team may review and analyze a  
 4-37 project's risk to determine whether to approve a project for the  
 4-38 expenditure of funds under Section 2054.118(a). When conducting  
 4-39 this review, the quality assurance team shall comply with  
 4-40 department rules and guidelines. A state agency shall provide the  
 4-41 quality assurance team any information necessary for the quality  
 4-42 assurance team to determine the project's potential risk. The  
 4-43 quality assurance team may approve a project without the review.

4-44 (g) The quality assurance team may require a state agency to  
 4-45 provide information on:

4-46 (1) the status of a major information resources  
 4-47 project;

4-48 (2) the costs for a major information resources  
 4-49 project;

4-50 (3) the risk associated with a major information  
 4-51 resources project; and

4-52 (4) a major information resources project's general  
 4-53 potential for success.

4-54 (h) On request by the quality assurance team, the state  
 4-55 auditor shall audit and review major information resources projects  
 4-56 and the information provided by the state agencies under this  
 4-57 section.

4-58 (i) On request by the quality assurance team, the  
 4-59 comptroller shall provide assistance regarding:

4-60 (1) verifying the accuracy of information provided by  
 4-61 state agencies on project costs under this section; and

4-62 (2) determining a state agency's compliance with this  
 4-63 section.

4-64 SECTION 11. Subchapter F, Chapter 2054, Government Code, is  
 4-65 amended by adding Sections 2054.1182 and 2054.1183 to read as  
 4-66 follows:

4-67 Sec. 2054.1182. EVALUATION OF COMPLETED MAJOR INFORMATION  
 4-68 RESOURCES PROJECTS. (a) After a major information resources  
 4-69 project has been completed, the quality assurance team may require

5-1 a state agency to evaluate and report on whether the project met its  
5-2 objectives or other expectations.

5-3 (b) The state auditor may:

5-4 (1) provide an independent evaluation of the completed  
5-5 project to ensure the validity of the results reported under  
5-6 Subsection (a); and

5-7 (2) send the evaluation to the legislative audit  
5-8 committee.

5-9 Sec. 2054.1183. ANNUAL REPORT ON MAJOR INFORMATION  
5-10 RESOURCES PROJECTS. Not later than December 1 of each year, the  
5-11 quality assurance team shall report on the status of major  
5-12 information resources projects to the:

5-13 (1) governor;

5-14 (2) lieutenant governor;

5-15 (3) speaker of the house of representatives;

5-16 (4) presiding officer of the committee in the house of  
5-17 representatives with primary responsibility for appropriations;  
5-18 and

5-19 (5) presiding officer of the committee in the senate  
5-20 with primary responsibility for appropriations.

5-21 SECTION 12. The heading to Subchapter G, Chapter 2054,  
5-22 Government Code, is amended to read as follows:

5-23 SUBCHAPTER G. ~~[INTERNAL]~~ QUALITY ASSURANCE

5-24 SECTION 13. Subchapter G, Chapter 2054, Government Code, is  
5-25 amended by adding Section 2054.158 to read as follows:

5-26 Sec. 2054.158. QUALITY ASSURANCE TEAM. The state auditor,  
5-27 Legislative Budget Board, and department shall:

5-28 (1) create a quality assurance team to perform the  
5-29 duties specified in this chapter and other law; and

5-30 (2) specify in writing the responsibilities of the  
5-31 state auditor, Legislative Budget Board, and department in  
5-32 performing the duties.

5-33 SECTION 14. Subsections (b) and (c), Section 2054.2051,  
5-34 Government Code, are amended to read as follows:

5-35 (b) The telecommunications planning and oversight council  
5-36 shall develop performance measures to establish cost-effective  
5-37 ~~[for the]~~ operations and staffing ~~[staff]~~ of the consolidated  
5-38 telecommunications system and the centralized capitol complex  
5-39 telephone system.

5-40 (c) The telecommunications planning and oversight council  
5-41 shall review ~~[every three months]~~ the status of all projects  
5-42 related to and the financial performance of the consolidated  
5-43 telecommunications system and the centralized capitol complex  
5-44 telephone system, including:

5-45 (1) a comparison between actual performance and  
5-46 projected goals at least once every three months; and

5-47 (2) any benefit of contracting with private vendors to  
5-48 provide some or all of the systems at least once each year.

5-49 SECTION 15. Section 2055.001, Government Code, is amended  
5-50 by amending Subdivision (1) and adding Subdivision (5) to read as  
5-51 follows:

5-52 (1) "Board," "department," "electronic government  
5-53 project," "local government," "major information resources  
5-54 project," "quality assurance team," and "TexasOnline" have the  
5-55 meanings assigned by Section 2054.003.

5-56 (5) "Consortia project" means an electronic  
5-57 government project involving multiple state agencies and designed  
5-58 to establish common information resources infrastructure.

5-59 SECTION 16. The heading to Subchapter B, Chapter 2055,  
5-60 Government Code, is amended to read as follows:

5-61 SUBCHAPTER B. DEPARTMENT OF INFORMATION RESOURCES;  
5-62 PROGRAM MANAGEMENT OFFICE

5-63 SECTION 17. Section 2055.051, Government Code, is amended  
5-64 to read as follows:

5-65 Sec. 2055.051. CREATION; OVERSIGHT. (a) The department  
5-66 shall manage ~~[create]~~ an Electronic Government Program Management  
5-67 Office within the department to direct and facilitate the  
5-68 implementation of electronic government projects selected under  
5-69 this chapter.

6-1 (b) The office is under the direct authority and oversight  
6-2 of the department.

6-3 SECTION 18. Section 2055.052, Government Code, is amended  
6-4 to read as follows:

6-5 Sec. 2055.052. GENERAL POWERS AND DUTIES. The department  
6-6 [~~office~~] shall:

6-7 (1) establish and support standard business practices  
6-8 for electronic government projects;

6-9 (2) coordinate and establish standards for  
6-10 implementation of electronic government projects;

6-11 (3) identify and incorporate best practices for  
6-12 electronic government projects in such areas as:

6-13 (A) the procurement of hardware, software, and  
6-14 technology services;

6-15 (B) project support;

6-16 (C) implementation strategies;

6-17 (D) project planning and scheduling;

6-18 (E) quality assurance;

6-19 (F) overall team coordination;

6-20 (G) status reporting; and

6-21 (H) technical standards; and

6-22 (4) establish, direct, and provide risk management and  
6-23 quality assurance services for electronic government projects,  
6-24 including consortia projects.

6-25 SECTION 19. Section 2055.054, Government Code, is amended  
6-26 to read as follows:

6-27 Sec. 2055.054. COORDINATION AMONG STATE AGENCIES; APPROVAL  
6-28 OF SPENDING. (a) In coordination with the Legislative Budget  
6-29 Board and the governor [~~comptroller~~], the department [~~office~~]  
6-30 shall:

6-31 (1) identify the resources necessary for projects and  
6-32 opportunities among multiple state agencies for the coordination of  
6-33 electronic government projects; and

6-34 (2) approve spending of money for electronic  
6-35 government projects by affected state agencies under Section  
6-36 2055.101.

6-37 (b) The office, in coordination with state agency  
6-38 information resources managers, shall create state agency  
6-39 coordination teams, as appropriate, to reduce information  
6-40 technology expenditures and eliminate unnecessary duplication.

6-41 SECTION 20. Subsection (c), Section 2055.055, Government  
6-42 Code, is amended to read as follows:

6-43 (c) The department, in consultation with the quality  
6-44 assurance team, [~~office~~] shall establish standards for state  
6-45 agencies to follow in implementing:

6-46 (1) selected electronic government projects to ensure  
6-47 maximum savings through cooperation among agencies;

6-48 (2) major information resources projects; and

6-49 (3) consortia projects.

6-50 SECTION 21. Section 2055.057, Government Code, is amended  
6-51 to read as follows:

6-52 Sec. 2055.057. FUNDING FOR PROGRAM MANAGEMENT OFFICE AND  
6-53 CERTAIN PROJECTS. (a) In coordination with the governor  
6-54 [~~comptroller, Governor's Office of Budget and Planning, state~~  
6-55 ~~auditor,~~] and the quality assurance team [~~Legislative Budget~~  
6-56 ~~Board~~], the department [~~office~~] shall develop a model for funding  
6-57 consortia projects and the office from a portion of the money  
6-58 appropriated for projects selected under Section 2055.101,  
6-59 including funding staff necessary for the office. The model must:

6-60 (1) describe how to provide the office with the  
6-61 staffing and other resources necessary for the office to manage the  
6-62 projects it selects; and

6-63 (2) establish savings, cost avoidance, and other  
6-64 values that result from the consortia projects.

6-65 (b) The department, in coordination with the quality  
6-66 assurance team, shall recommend to the Legislative Budget Board and  
6-67 the governor [~~may include in its appropriations request~~] a proposal  
6-68 for funding consortia projects selected under Section 2055.101.

6-69 SECTION 22. Subchapter B, Chapter 2055, Government Code, is

7-1 amended by adding Section 2055.060 to read as follows:

7-2 Sec. 2055.060. PERFORMANCE MEASURES. The department shall  
 7-3 consult with the Legislative Budget Board to establish a  
 7-4 performance measure for the office to identify and measure the  
 7-5 value provided to projects selected under Section 2055.101,  
 7-6 including the amount of savings, cost avoidance, and other return  
 7-7 on investment criteria that the office achieves.

7-8 SECTION 23. Subchapter B, Chapter 2055, Government Code, is  
 7-9 amended by adding Section 2055.061 to read as follows:

7-10 Sec. 2055.061. STATE DATA CENTER. (a) In this section,  
 7-11 "center" means the Texas State Data Center and "best value" means  
 7-12 the lowest overall cost.

7-13 (b) The department shall operate or, through cooperative  
 7-14 agreement, manage operations of the Texas State Data Center on the  
 7-15 campus of Angelo State University. It is the intent of the  
 7-16 legislature that all state agencies and institutions of higher  
 7-17 education utilize the center for data center operations, testing  
 7-18 disaster recovery plans, and disaster recovery services. Funds  
 7-19 appropriated by the legislature may not be expended for entering  
 7-20 into or renewing contracts or issuing purchase orders for data  
 7-21 center operations, disaster recovery plan testing services, or  
 7-22 disaster recovery services from other state agencies or other  
 7-23 providers of these services without first obtaining a waiver from  
 7-24 the Legislative Budget Board certifying that the requested service  
 7-25 requirements cannot be provided at reasonable costs through the  
 7-26 center. Waiver requests shall be evaluated by the Legislative  
 7-27 Budget Board based on best value to the state, rather than best  
 7-28 value to the state agency or institution of higher education  
 7-29 requesting the waiver. Prior to requesting a waiver from the  
 7-30 Legislative Budget Board, agencies and institutions of higher  
 7-31 education must first provide the operational vendor of the center  
 7-32 with a comprehensive statement of work sufficient for the  
 7-33 operational vendor to provide an accurate cost estimate for cost  
 7-34 comparison purposes. Prior to initiating the waiver process, state  
 7-35 agencies and institutions of higher education must also coordinate  
 7-36 with the department regarding appropriate time frames for  
 7-37 preparation of the statement of work, pricing, cost comparison, and  
 7-38 transition. Agencies and institutions of higher education shall  
 7-39 use the State Auditor's Report No. 95-139 in evaluating cost  
 7-40 comparison. The Legislative Budget Board may request assistance  
 7-41 from the State Auditor's Office in validating cost evaluations.  
 7-42 Waivers may be granted for specific periods of time and any  
 7-43 contracts for services obtained under waiver may not extend beyond  
 7-44 the expiration date of the waiver. Once a waiver has been granted,  
 7-45 state agencies and institutions of higher education must provide a  
 7-46 comparison of actual costs versus the projected costs used to  
 7-47 obtain the waiver on an annual basis to the Legislative Budget  
 7-48 Board.

7-49 (c) State agencies and institutions of higher education  
 7-50 that use the center shall do so under contract with the department.  
 7-51 The department may collect fees for these services in amounts that  
 7-52 offset the direct and indirect costs of providing the services. The  
 7-53 department may request assistance from the State Auditor regarding  
 7-54 the billing system formula for offsetting service costs. In order  
 7-55 for the state to realize maximum costs savings and operational  
 7-56 efficiencies, the department shall work with the Legislative Budget  
 7-57 Board, the State Auditor's Office, and the center's operational  
 7-58 vendor to develop a comprehensive information technology  
 7-59 consolidation plan. The department shall file a written report of  
 7-60 the plan with the governor, the lieutenant governor, and the  
 7-61 speaker of the house of representatives not later than May 31, 2004.

7-62 SECTION 24. Subsections (a) and (c), Section 2055.101,  
 7-63 Government Code, are amended to read as follows:

7-64 (a) The department [office], in coordination with the  
 7-65 governor and the quality assurance team, [state auditor, and  
 7-66 Legislative Budget Board,] shall develop selection criteria for the  
 7-67 type of electronic government projects that require direct  
 7-68 oversight by the office. The criteria must include:

7-69 (1) issues related to interagency cooperation and

8-1 implementation;  
 8-2 (2) costs, including reimbursement strategies;  
 8-3 (3) requirements for authentication and security  
 8-4 implications; and  
 8-5 (4) the state's strategic vision regarding electronic  
 8-6 government projects.

8-7 (c) Based on any selection criteria adopted under  
 8-8 Subsection (b) [~~and in coordination with the governor, state~~  
 8-9 ~~auditor, and Legislative Budget Board~~], the department [office] may  
 8-10 select proposed or existing electronic government projects,  
 8-11 including consortia projects.

8-12 SECTION 25. Subsection (a), Section 2055.153, Government  
 8-13 Code, is amended to read as follows:

8-14 (a) The department [~~In coordination with the quality~~  
 8-15 ~~assurance team of the Legislative Budget Board and the state~~  
 8-16 ~~auditor, the office] shall establish a state agency reporting  
 8-17 system that requires state agencies to report to the office on:~~

8-18 (1) electronic government projects selected under  
 8-19 Section 2055.101 so that the office may effectively monitor those  
 8-20 projects; and

8-21 (2) all other electronic government projects for that  
 8-22 agency.

8-23 SECTION 26. Subchapter D, Chapter 2055, Government Code, is  
 8-24 amended by adding Section 2055.154 to read as follows:

8-25 Sec. 2055.154. REPORT ON FUNDING MODEL AND PERFORMANCE  
 8-26 MEASURES. The office shall track its progress against the funding  
 8-27 model established under Section 2055.057 and the performance  
 8-28 measures established under Section 2055.060. The office shall  
 8-29 regularly report on the progress to:

8-30 (1) each state agency with a project selected under  
 8-31 Section 2055.101;

8-32 (2) the quality assurance team;

8-33 (3) the governor;

8-34 (4) the speaker of the house of representatives;

8-35 (5) the lieutenant governor; and

8-36 (6) the presiding officer of each committee in the  
 8-37 legislature with primary oversight over the department.

8-38 SECTION 27. Chapter 2054, Government Code, is amended by  
 8-39 adding Subchapter L to read as follows:

8-40 SUBCHAPTER L. SMALL STATE AGENCIES

8-41 Sec. 2054.401. DEFINITION. In this subchapter, "small  
 8-42 state agency" means a state agency with not more than 100 full-time  
 8-43 equivalent employees.

8-44 Sec. 2054.402. SMALL STATE AGENCIES CONSOLIDATION PLAN.

8-45 (a) The department shall, in consultation with the Texas Small  
 8-46 State Agency Task Force, develop, modify, and implement a plan to  
 8-47 consolidate information technology at small state agencies.

8-48 (b) The plan must include:

8-49 (1) a description of the technology services that the  
 8-50 department will provide under the consolidation plan, including the  
 8-51 levels of service provided;

8-52 (2) a schedule for the implementation of the  
 8-53 consolidation plan; and

8-54 (3) a schedule for routine technology upgrades and  
 8-55 maintenance regarding projects.

8-56 Sec. 2054.403. COMPLIANCE BY SMALL STATE AGENCIES; FUNDING.

8-57 (a) Each small state agency shall comply with the consolidation  
 8-58 plan developed under Section 2054.402.

8-59 (b) The comptroller, at the request of the department, shall  
 8-60 deny a small state agency access to information technology  
 8-61 appropriations if the agency does not comply with the consolidation  
 8-62 plan.

8-63 Sec. 2054.404. AGREEMENTS FOR TECHNOLOGY SERVICES BY SMALL  
 8-64 STATE AGENCIES; FUNDING. (a) Each small state agency shall enter  
 8-65 into a service level agreement with the department for the agency's  
 8-66 technology services.

8-67 (b) The department shall recover costs incurred by the  
 8-68 department in executing the agreement based on a cost-recovery  
 8-69 model developed by the department.



9-1 (c) A small state agency may not spend appropriated money  
9-2 for technology services from other providers of services if the  
9-3 services are otherwise provided by the department.

9-4 Sec. 2054.405. SMALL AGENCY INFORMATION RESOURCE MANAGER;  
9-5 EXEMPTION BY RULE. (a) The department shall designate a  
9-6 department employee to serve as information resources manager for  
9-7 small state agencies.

9-8 (b) The designated information resources manager shall  
9-9 submit the agency's information resources strategic plan, biennial  
9-10 operating plan, information technology funding requests, and other  
9-11 required information technology reports on behalf of the small  
9-12 state agencies.

9-13 (c) The department by rule may exempt small state agencies  
9-14 from compliance with Section 2054.075.

9-15 Sec. 2054.406. EXEMPTIONS; APPEAL. (a) The department may  
9-16 grant an exemption under this section from certain requirements of  
9-17 this subchapter to a small state agency that contracts with other  
9-18 persons for information technology services, if the services can be  
9-19 documented to be the best value to the state.

9-20 (b) A state agency that disagrees with the department's  
9-21 decision regarding an exemption for that agency may appeal to the  
9-22 governor. The governor's decision on the exemption is final.

9-23 (c) Sections 2054.403, 2054.404, and 2054.405(a) do not  
9-24 apply to a state agency that is exempt under this section.

9-25 SECTION 28. (a) Not later than February 1, 2004, the  
9-26 Department of Information Resources shall develop:

9-27 (1) the plan required by Section 2054.402, Government  
9-28 Code, as added by this Act; and

9-29 (2) the model required by Section 2054.404, Government  
9-30 Code, as added by this Act.

9-31 (b) Not later than September 1, 2004, the Department of  
9-32 Information Resources shall implement the plan as required by  
9-33 Section 2054.402, Government Code, as added by this Act, and  
9-34 recover costs under the model as required by Section 2054.404,  
9-35 Government Code, as added by this Act. A state agency is not  
9-36 required to comply with:

9-37 (1) Section 2054.403, Government Code, as added by  
9-38 this Act, until the plan is implemented; or

9-39 (2) Section 2054.404, Government Code, as added by  
9-40 this Act, until the department assesses costs under the model.

9-41 SECTION 29. Subsection (c), Section 2054.1181, and Section  
9-42 2055.059, Government Code, are repealed.

9-43 SECTION 30. To allow state agencies to reduce design and  
9-44 software licensing costs, the Department of Information Resources  
9-45 shall coordinate with the governor to move information on the  
9-46 GovernmentDomain.com Internet website to the department and to  
9-47 promote the reuse of software purchased with public money.

9-48 SECTION 31. This Act takes effect September 1, 2003.

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