

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 8, 2003

TO: Honorable David Swinford, Chair, House Committee on Government Reform

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2067 by Pitts (Relating to the Department of Information Resources' management of certain electronic and telecommunications projects.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2067, As Introduced: a negative impact of (\$1,202,634) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill amends specific sections of Chapters 2054 and 2055 of the Government Code relating to the Department of Information Resources' management of certain electronic and telecommunications projects. The Comptroller of Public Accounts reported that the bill would partially implement recommendation GG 18 from the Comptroller's *e-Texas* report “*Limited Government, Unlimited Opportunity*.” Recommendation GG 18 envisioned that DIR's Project Management Office would meet its legislative responsibilities with seven additional positions to be funded out of existing funds provided by agencies participating in the consortia projects, however, the bill does not require such agency funding. The Act takes effect September 1, 2003.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$713,817)
2005	(\$488,817)
2006	(\$488,817)
2007	(\$488,817)
2008	(\$488,817)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2003
2004	(\$713,817)	7.0
2005	(\$488,817)	7.0
2006	(\$488,817)	7.0
2007	(\$488,817)	7.0
2008	(\$488,817)	7.0

Fiscal Analysis

The bill requires DIR's executive director to assess and report on any return on investment guidelines established in the state strategic plan and used to develop and implement major information resources

projects (Section 2054.091(b)). The bill requires the plan to outline a state information architecture containing a logically consistent set of principles, policies, and standards; and requires DIR to designate critical electronic government projects to be directed by the department, including a project for enterprise resource planning and a project for electronic purchasing and other specified requirements such as outcomes; implementation progress; return on investments; and software, hardware, and information resource technology service issues (Section 2054.092).

The bill requires state agencies to send their strategic plans to the Department of Information Resources for review and report to the governor when the plan is not in compliance with the state strategic plan (Section 2054.097). The bill requires agencies to submit in their biennial operating plans on how current and proposed information technology projects would benefit and serve residents and individuals and the state as a whole, use technology owned or adapted by other state agencies, produce quantifiable return on investments, developed on time and on budget, and meet other criteria developed by DIR or the quality assurance team (Section 2054.100(a) and (b)).

The bill would preclude the Legislative Budget Board (LBB) from approving the state strategic plan until DIR certifies that operating plan complies with DIR’s standards and provisions contained in the state strategic plan (Section 2054.102). The bill would add DIR to the quality assurance team (QAT), which currently consists of the Legislative Budget Board and the State Auditor's Office (SAO).

The bill would require the Program Management Office (PMO) of DIR to establish, direct, and provide risk management and quality assurance services for consortia projects (Section 2055.001). The PMO would establish, direct, and provide risk management and quality assurance services for consortia projects (Section 2054.052(a) and (b)). The PMO, in coordination with the QAT, would recommend standards to DIR for state agencies to follow in implementing selected electronic government projects to ensure maximum savings through cooperation among agencies, major information resources projects, and consortia projects (Section 2054.055(c)).

The bill will require the PMO to develop a model for funding consortia projects from a portion of the money appropriated for technology components to be consolidated by projects in coordination with the Governor and LBB. The model would describe how to provide PMO with the staffing and other resources necessary to manage the projects it selected and establish savings and cost avoidance resulting from the consortia projects (Section 2055.057(a) and (b)).

In coordination with the QAT, the PMO would establish a state agency reporting system that would require state agencies to report to PMO on consortia projects and other electronic government projects (Section 2055.153(a)). The PMO would track its progress against the funding model and the performance measures and regularly report on the progress to state agencies with projects, the QAT, the Legislative Oversight Committee for Electronic Government Projects, the Governor, the Speaker of the House of Representatives, the Lieutenant Governor, and the presiding officer of each committee in the Legislature with primary oversight over DIR (Section 2055.154).

To allow state agencies to reduce design and software licensing costs, DIR would be required to coordinate with the Governor to move control of the GovernmentDomain.com Internet website to DIR and to expand the website. The website would be required to include telecommunications billing software developed by the Texas Legislative Council.

Methodology

The Department of Information Resources identified fiscal impacts associated with amended Sections 2054.097(a) and (b) and 2054.102(b) to the Government Code relating to reviews of agency strategic plans and evaluation and approval of operating plans. Seven additional FTEs (four System Analyst IV-B14 and three System Analyst V-B16) will be required with passage of the bill (\$332,568 salary and wages and \$94,649 fringe benefits per fiscal year. The TxSPIRS system (used previously for Biennial Operating Plans) will be upgraded for an estimated \$250,000 in fiscal year 2004, annual maintenance costs of \$25,000 per fiscal year thereafter, and seat management costs of \$1,550 per FTE. Other operating expenses are \$36,600 per fiscal year.

Technology

Estimated technology impacts of \$260,850 for fiscal year 2004 and \$35,850 for fiscal years 2005 through 2008 in system enhancements (TxSPIRS, \$250,000 for fiscal year 2004), maintenance of TxSPIRS (\$25,000 for fiscal years 2005 through 2008), and seat management (\$10,850 for fiscal years 2005 through 2008).

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 301 Office of the Governor, 308 State Auditor's Office

LBB Staff: JK, JO, GO, MS, BL