

By: Swinford

H.B. No. 2698

A BILL TO BE ENTITLED

AN ACT

relating to the use of state data centers by state agencies and institutions of higher education.

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

SECTION 1. LEGISLATIVE FINDINGS; ESTABLISHMENT OF INITIATIVE. Through the creation of the state data center system, the state has been afforded the opportunity to benefit financially from information technology consolidation and economies of scale. Although the legislature has previously encouraged state agencies, including institutions of higher education, to fully utilize the state data center system, these entities continue to operate a significant number of data center facilities independent of the state data center system. As a result, the state continues to pay for unnecessary labor, facility, and hardware and software costs and continues to fall further behind in its efforts to create a truly consolidated information technology environment. The legislature recognizes that the previously defined data center waiver process, which allowed state entities to inaccurately report operational costs, has significantly hampered the ability of the state to achieve information technology cost savings as well as limited the state's ability to enhance information technology system performance and mitigate risks. Based on the continued belief that data center services are typically provided more efficiently and cost-effectively when managed in a consolidated

environment and recognizing that there continues to remain significant opportunity for further information technology consolidation, the Texas 21st Century Strategic Information Technology Consolidation Initiative is established to mandate and ensure that state agencies and institutions of higher education migrate their data center operations to the state data center system on a timeline designed to achieve savings in the most rapid and efficient manner during each biennium.

SECTION 2. Section 2055.061, Government Code, is amended to read as follows:

Sec. 2055.061. STATE DATA CENTER SYSTEM. (a) In this section, "state data center system" [~~+~~

~~[(1) "Center"]~~ means the State Data Center on the campus of Angelo State University and the Austin Disaster Recovery and Operations Center.

~~[(2) "Best value" has the meaning assigned under Section 2157.003.]~~

(b) The department shall operate, or through cooperative agreement, manage operations of the state data center system [~~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 the legislature 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~~

~~1 agencies or other providers of these services without first
2 obtaining a waiver from the Legislative Budget Board certifying
3 that the requested service requirements cannot be provided at
4 reasonable costs through the center. Waiver requests will be
5 evaluated by the Legislative Budget Board, based on best value to
6 the state, rather than best value to the state agency or institution
7 of higher education requesting the waiver. Prior to requesting a
8 waiver from the Legislative Budget Board, agencies and institutions
9 of higher education must first provide the operational vendor of
10 the center with a comprehensive statement of work sufficient for
11 the operational vendor to provide an accurate cost estimate for
12 cost comparison purposes. Prior to initiating the waiver process,
13 state agencies and institutions of higher education must also
14 coordinate with the department regarding appropriate time frames
15 for preparation of the statement of work, pricing, cost comparison,
16 and transition. Agencies and institutions of higher education
17 shall use the State Auditor's Report 95-139 in evaluating cost
18 comparison. The Legislative Budget Board may request assistance
19 from the State Auditor's Office in validating cost evaluations.
20 Waivers may be granted for specific periods of time and any
21 contracts for services obtained under waiver may not extend beyond
22 the expiration date of the waiver. Once a waiver has been granted,
23 state agencies and institutions of higher education must provide a
24 comparison of actual costs versus the projected costs used to
25 obtain the waiver on an annual basis to the Legislative Budget
26 Board.]~~

(c) State agencies and institutions of higher education

1 that use the state data center system [~~center~~] shall do so under
2 contract with the department. The department may collect fees for
3 these services in amounts that offset the direct and indirect costs
4 of providing the services. The department may request assistance
5 from the State Auditor regarding the billing system formula for
6 offsetting service costs[~~. In order for the state to realize~~
7 ~~maximum cost savings and operational efficiencies, the department,~~
8 ~~in consultation with the Legislative Budget Board, the State~~
9 ~~Auditor's Office, and the center's operational vendor, will develop~~
10 ~~a comprehensive information technology consolidation plan and~~
11 ~~provide information relating to the use of the center as a location~~
12 ~~for one of the state's consolidated data centers. The department~~
13 ~~shall file a written report of the plan with the governor, the~~
14 ~~lieutenant governor, and the speaker of the house of~~
15 ~~representatives not later than May 31, 2004].~~

16 (d) The department shall develop, maintain, and enforce a
17 state data center system migration and consolidation plan for state
18 agencies and institutions of higher education. The plan must
19 clearly delineate, by state agency or institution of higher
20 education, the time lines for:

21 (1) migration to the system; and
22 (2) consolidation of shared operational systems
23 necessary to optimize state technology.

24 (e) The department shall prioritize the migration to the
25 state data center system based on the size of the current data
26 center operational environment at the state agency or institution
27 of higher education, with the largest 25 data center environments

ranking highest in priority. The department shall ensure the migration of at least three data center environments to the system each fiscal year. A state agency or institution of higher education shall comply with the department's request to migrate under this section.

(f) The department shall work with the Legislative Budget Board and the state auditor's office to determine by state agency or institution of higher education the specific savings related to labor, facilities, hardware, software, or operational systems that should accrue to the state as a result of the migration and consolidation under this section.

(g) At least once every three months, the department shall report on the status of the state data center system migration and consolidation under this section, including progress on time lines and cost savings achieved through the consolidation. The department shall file the report with:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the speaker of the house of representatives;
- (4) the chairs of the house and senate committees with primary oversight over the department;
- (5) the chairs of the senate finance and the house of representatives appropriations committees; and
- (6) each member of the Legislative Budget Board.

SECTION 3. Not later than September 1, 2005, the Department of Information Resources shall file the first report required by Section 2055.061, Government Code, as amended by this Act.

1 SECTION 4. (a) In implementing the migration required by
2 Section 2055.061, Government Code, as amended by this Act, the
3 Department of Information Resources shall migrate data center
4 operations to the State Data Center located on the campus of Angelo
5 State University until the operational vendor determines the center
6 has reached capacity. Once the State Data Center has reached
7 capacity, the department shall advise the legislature of this fact
8 so that the legislature may determine whether to further expand the
9 data center located on the campus of Angelo State University or to
10 require the migration of data center operations to the Austin
11 Disaster Recovery and Operations Center until the operational
12 vendor determines that this center has also reached capacity.

13 (b) The Department of Information Resources shall advise
14 the legislature on whether to consider the addition of another data
15 center to the state data center system until the resources provided
16 by both the State Data Center on the campus of Angelo State
17 University and the Austin Disaster Recovery and Operations Center
18 are used to their fullest capacity.

19 SECTION 5. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2005.