

Amend CSHB 4214 (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Subchapter Q, Chapter 2054, Government Code, is amended by adding Section 2054.577 to read as follows:

Sec. 2054.577. TEXAS INNOVATION FUND AND STATE AGENCY TECHNOLOGY UPGRADES ACCOUNT. (a) In this section:

(1) "Account" means the state agency technology upgrades account.

(2) "Board" means the Texas innovation fund board.

(3) "Cloud computing service" has the meaning assigned by Section 2157.007.

(4) "Device-as-a-service" means a managed service in which hardware that belongs to a managed service provider is installed at a state agency and a service level agreement defines the responsibilities of each party to the agreement.

(5) "Fund" means the Texas innovation fund.

(6) "Information technology system" means any equipment or interconnected system or subsystem of equipment used by a state agency, or a person under a contract with a state agency if the contract requires use of the equipment, to acquire, store, analyze, evaluate, manipulate, manage, move, control, display, switch, interchange, transmit, print, copy, scan, or receive data or other information. The term:

(A) includes a computer, a device-as-a-service solution, ancillary computer equipment such as imaging, printing, scanning, and copying peripherals and input, output, and storage devices necessary for security and surveillance, peripheral equipment designed to be controlled by the central processing unit of a computer, software and firmware and similar procedures, and services, including support services, and related resources; and

(B) does not include equipment acquired by a contractor incidental to a state contract.

(7) "Legacy information technology system" means an information technology system that is operated with obsolete or inefficient hardware or software technology.

(8) "Qualifying information technology modernization

project" means a project by a state agency to:

(A) replace the agency's information technology systems;

(B) transition the agency's legacy information technology systems to a cloud computing service or other innovative commercial platform or technology; or

(C) develop and implement a method to provide adequate, risk-based, and cost-effective information technology responses to threats to the agency's information security.

(9) "State agency" has the meaning assigned by Section 2254.151, notwithstanding Section 2054.003.

(b) The Texas innovation fund board is established to administer the Texas innovation fund and the state agency technology upgrades account and to make awards of financial assistance to state agencies from the fund or account for qualifying information technology modernization projects. The board is composed of:

(1) one member who is a representative of the department, appointed by the presiding officer of the governing board of the department;

(2) one member who is a representative of the office of the governor, appointed by the governor;

(3) two members of the senate, appointed by the lieutenant governor;

(4) two members of the house of representatives, appointed by the presiding officer of the governing board of the department from a list provided by the speaker of the house of representatives; and

(5) one public member, appointed by the governor.

(c) Members of the board serve staggered six-year terms. A board member is not entitled to compensation for service on the board but is entitled to reimbursement of expenses incurred while performing duties as a board member.

(d) The Texas innovation fund and the state agency technology upgrades account are special funds outside the state treasury to be used by the board, without further legislative appropriation, as provided by this section.

(e) The fund consists of:

(1) money appropriated, credited, or transferred to the fund by the legislature;

(2) money received by the board for the repayment of a loan made from the fund; and

(3) interest and other earnings earned on deposits and investments of money in the fund.

(f) The account consists of:

(1) money deposited to the account by the comptroller in the manner prescribed by Subsection (h); and

(2) interest and other earnings earned on deposits and investments of money in the account.

(g) The department by rule shall establish a loan program to authorize the board to use money from the fund to provide loans to state agencies for qualifying information technology modernization projects. A state agency must apply to the board for a loan from the fund. The application must include a description of the qualifying information technology modernization project for which the state agency is requesting a loan. A loan agreement entered into under this subsection must require the state agency to:

(1) repay the loan to the board within seven years of the date the loan is made to the agency; and

(2) make annual reports to the board identifying cost savings realized by the agency as a result of the project for which the agency received the loan.

(h) At the end of each state fiscal year, on the written request of a state agency, the comptroller shall deposit to the account the unexpended balance of any money appropriated to the agency for that state fiscal year that is budgeted by the agency for information technology services or cybersecurity purposes. A state agency may request money from the account from the board at any time for a qualifying information technology modernization project. This subsection does not apply to the unexpended balance of any money appropriated to a state agency from federal funds or from a fund created by the constitution of this state.

(i) The comptroller shall separately account for the amount of money deposited to the account at the request of each state

agency under Subsection (h). Money deposited to the account under Subsection (h) and any interest and other earnings on that money may be provided only to the state agency for which the comptroller deposited the money to the account and may be used by the agency only for a qualifying information technology modernization project.

(j) Any money deposited to the account at the request of a state agency under Subsection (h) that is not requested by the agency within two years from the date the money is deposited shall be transferred by the comptroller to the general revenue fund to be used in accordance with legislative appropriation.

(k) A state agency that receives money from the fund or the account may collaborate with one or more other state agencies that also receive money from the fund or the account to purchase information technology systems that may be shared between the agencies.

(l) The department and the comptroller may adopt rules to implement and administer this section.