

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 20, 2021

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4018 by Capriglione (relating to legislative oversight and funding of improvement and modernization projects for state agency information resources.), **Committee Report 2nd House, Substituted**

The fiscal implications of the bill cannot be determined at this time. The amount of federal funds cannot be estimated at this time.

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 would amend Chapter 2054 of the Government Code to create the Technology Improvement and Modernization Fund (fund) in the state treasury outside of the General Revenue Fund. The fund would consist of appropriations; money received from the federal government for the purposes of improving and modernizing state agency information resources; gifts, grants, and donations; and earned interest. The bill would provide that money in the fund would be used to improve and modernize state agency information resources, including legacy system and cybersecurity projects.

The bill would also establish a joint oversight committee on investment in information technology improvement and modernization projects. The committee would be composed of six members including three senators appointed by the lieutenant governor and three members of the House of Representatives appointed by the speaker. The committee would report to the legislature on projects to improve or modernize state agency information technology (IT) systems, the method of funding and amount necessary to fully fund each project, and strategies to ensure a long-term investment solution for IT projects, including strategies to access federal funding. The Department of Information Resources (DIR) would provide staff support for the committee. The committee would have the powers of a joint committee and would be able to obtain funding in the same manner as a joint committee. The bill would abolish the committee on September 1, 2026.

The bill would require each state agency to prepare a plan for transitioning the agency's information technology services and capabilities into a more modern and effective technological environment. The plan would be submitted to DIR, the committee, and the Legislature.

According to the Comptroller, the fiscal impact to the state cannot be determined at this time. DIR anticipates any additional work resulting from the passage of the bill could be reasonably absorbed within DIR's current resources.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature. Additionally, any federal funds deposited into the account or fund would continue to be subject to the same purpose, uses, restrictions, and requirements of the original grant. It is also unknown if the federal administrative agency of such grant would permit the state to deposit the entirety of the award into a state held account or fund.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources

LBB Staff: JMc, KK, LCO, MBO