

SENATE AMENDMENTS

2nd Printing

By: Capriglione, Guillen, Frank, Shaheen,
Morales of Maverick

H.B. No. 4018

A BILL TO BE ENTITLED

1 AN ACT

2 relating to legislative oversight and funding of improvement and
3 modernization projects for state agency information resources.

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

5 SECTION 1. Subchapter Q, Chapter 2054, Government Code, is
6 amended by adding Sections 2054.577 and 2054.578 to read as
7 follows:

8 Sec. 2054.577. TECHNOLOGY IMPROVEMENT AND MODERNIZATION
9 FUND. (a) The technology improvement and modernization fund is a
10 special fund in the state treasury outside the general revenue
11 fund.

12 (b) The fund consists of:

13 (1) money transferred or deposited to the credit of
14 the fund at the direction of the legislature;

15 (2) money received from the federal government for the
16 purposes of improving and modernizing state agency information
17 resources;

18 (3) gifts, donations, and grants to the fund,
19 including federal grants; and

20 (4) interest earned on the investment of money in the
21 fund.

22 (c) Money in the fund:

23 (1) may be used to improve and modernize state agency
24 information resources, including legacy system projects and

1 cybersecurity projects; and

2 (2) may not be used to replace money appropriated to a
3 state agency for the purposes of operating and maintaining state
4 agency information resources or reduce the amount of money
5 appropriated to a state agency for those purposes.

6 (d) Section 404.071 does not apply to the fund.

7 (e) In this section, "state agency" has the meaning assigned
8 by Section 2052.101.

9 Sec. 2054.578. JOINT OVERSIGHT COMMITTEE ON INVESTMENT IN
10 INFORMATION TECHNOLOGY IMPROVEMENT AND MODERNIZATION PROJECTS.

11 (a) In this section:

12 (1) "Committee" means the Joint Oversight Committee on
13 Investment in Information Technology Improvement and Modernization
14 Projects.

15 (2) "State agency" has the meaning assigned by Section
16 2052.101.

17 (b) The committee is created to review investment and
18 funding strategies for projects to improve or modernize state
19 agency information resources technologies.

20 (c) The committee is composed of six members as follows:

21 (1) three members of the senate appointed by the
22 lieutenant governor; and

23 (2) three members of the house of representatives
24 appointed by the speaker of the house of representatives.

25 (d) The presiding officer of the committee shall alternate
26 annually between:

27 (1) a member of the senate appointed by the lieutenant

1 governor; and

2 (2) a member of the house of representatives appointed
3 by the speaker of the house of representatives.

4 (e) A vacancy on the committee shall be filled in the same
5 manner as the original appointment.

6 (f) The committee biennially shall provide a written report
7 to the legislature that:

8 (1) identifies:

9 (A) existing and planned projects to improve or
10 modernize state agency information resources technologies; and

11 (B) the method of funding for each project
12 identified by the committee under Paragraph (A); and

13 (2) includes:

14 (A) a determination by the committee of the
15 amount necessary to fully fund each project identified under
16 Subdivision (1) to completion; and

17 (B) strategies developed by the committee to
18 ensure a long-term investment solution for projects to improve or
19 modernize state agency information resources technologies is in
20 place, including strategies to:

21 (i) access the full amount of federal money
22 available for those projects; and

23 (ii) use information gathered by the
24 department during previous projects to improve the management,
25 oversight, and transparency of future projects.

26 (g) The department shall provide staff support for the
27 committee.

1 (h) The committee:

2 (1) has the powers of a joint committee; and

3 (2) may obtain funding in the same manner as a joint
4 committee.

5 (i) The rules adopted by the 87th Legislature for the
6 administration of joint committees apply to the committee to the
7 extent the rules are consistent with this section.

8 (j) The committee is abolished and this section expires
9 September 1, 2026.

10 SECTION 2. (a) In this section, "committee" means the Joint
11 Oversight Committee on Investment in Information Technology
12 Improvement and Modernization Projects.

13 (b) The lieutenant governor and the speaker of the house of
14 representatives shall make appointments to the committee not later
15 than the 30th day after the effective date of this Act.

16 (c) The speaker of the house of representatives shall
17 appoint the initial presiding officer of the committee.

18 SECTION 3. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2021.

ADOPTED

MAY 27 2021

By: Jane Nelson

Lacey Spaw
Secretary of the Senate

H.B. No. 4018

Substitute the following for ___B. No. _____:

By: Jane Nelson

C.S. ___B. No. _____

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8 Sec. 2054.577. TECHNOLOGY IMPROVEMENT AND MODERNIZATION
9 FUND. (a) The technology improvement and modernization fund is a
10 special fund in the state treasury outside the general revenue
11 fund.

12 (b) The fund consists of:

13 (1) money transferred or deposited to the credit of
14 the fund at the direction of the legislature;

15 (2) money received from the federal government for the
16 purposes of improving and modernizing state agency information
17 resources;

18 (3) gifts, donations, and grants to the fund,
19 including federal grants; and

20 (4) interest earned on the investment of money in the
21 fund.

22 (c) Money in the fund:

23 (1) may be used to improve and modernize state agency
24 information resources, including legacy system projects and

1 cybersecurity projects; and

2 (2) may not be used to replace money appropriated to a
3 state agency for the purposes of operating and maintaining state
4 agency information resources or reduce the amount of money
5 appropriated to a state agency for those purposes.

6 (d) Section 404.071 does not apply to the fund.

7 (e) In this section, "state agency" has the meaning assigned
8 by Section 2052.101.

9 Sec. 2054.578. JOINT OVERSIGHT COMMITTEE ON INVESTMENT IN
10 INFORMATION TECHNOLOGY IMPROVEMENT AND MODERNIZATION PROJECTS.

11 (a) In this section:

12 (1) "Committee" means the Joint Oversight Committee on
13 Investment in Information Technology Improvement and Modernization
14 Projects.

15 (2) "State agency" has the meaning assigned by Section
16 2052.101.

17 (b) The committee is created to review investment and
18 funding strategies for projects to improve or modernize state
19 agency information resources technologies.

20 (c) The committee is composed of six members as follows:

21 (1) three members of the senate appointed by the
22 lieutenant governor; and

23 (2) three members of the house of representatives
24 appointed by the speaker of the house of representatives.

25 (d) The presiding officer of the committee shall alternate
26 annually between:

27 (1) a member of the senate appointed by the lieutenant

1 governor; and

2 (2) a member of the house of representatives appointed
3 by the speaker of the house of representatives.

4 (e) A vacancy on the committee shall be filled in the same
5 manner as the original appointment.

6 (f) The committee biennially shall provide a written report
7 to the legislature that:

8 (1) identifies:

9 (A) existing and planned projects to improve or
10 modernize state agency information resources technologies; and

11 (B) the method of funding for each project
12 identified by the committee under Paragraph (A); and

13 (2) includes:

14 (A) a determination by the committee of the
15 amount necessary to fully fund each project identified under
16 Subdivision (1) to completion; and

17 (B) strategies developed by the committee to
18 ensure a long-term investment solution for projects to improve or
19 modernize state agency information resources technologies is in
20 place, including strategies to:

21 (i) access the full amount of federal money
22 available for those projects; and

23 (ii) use information gathered by the
24 department during previous projects to improve the management,
25 oversight, and transparency of future projects.

26 (g) The department shall provide staff support for the
27 committee.

1 (h) The committee:

2 (1) has the powers of a joint committee; and

3 (2) may obtain funding in the same manner as a joint
4 committee.

5 (i) The rules adopted by the 87th Legislature for the
6 administration of joint committees apply to the committee to the
7 extent the rules are consistent with this section.

8 (j) The committee is abolished and this section expires
9 September 1, 2026.

10 SECTION 2. (a) Not later than October 1, 2022, each state
11 agency in the executive and legislative branches of state
12 government, using money appropriated to the agency by this state,
13 shall prepare an agency-wide plan outlining the manner in which the
14 agency intends to transition its information technology and
15 data-related services and capabilities into a more modern,
16 integrated, secure, and effective technological environment.

17 (b) Not later than March 31, 2022, the Joint Oversight
18 Committee on Investment in Information Technology Improvement and
19 Modernization Projects, in consultation with the Department of
20 Information Resources, shall prescribe the form, contents, and
21 manner of submission of the plan required under Subsection (a) of
22 this section.

23 (c) Each state agency shall submit the plan developed under
24 this section to the:

25 (1) Department of Information Resources;

26 (2) Joint Oversight Committee on Investment in
27 Information Technology Improvement and Modernization Projects; and

1 (3) standing committees of the senate and house of
2 representatives with primary jurisdiction over state agency
3 information technology.

4 SECTION 3. (a) In this section, "committee" means the Joint
5 Oversight Committee on Investment in Information Technology
6 Improvement and Modernization Projects.

7 (b) The lieutenant governor and the speaker of the house of
8 representatives shall make appointments to the committee not later
9 than the 30th day after the effective date of this Act.

10 (c) The speaker of the house of representatives shall
11 appoint the initial presiding officer of the committee.

12 SECTION 4. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2021.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 27, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

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.), **As Passed 2nd House**

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, CMA, KK, LCO, MBO

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 17, 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.), **As Engrossed**

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 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.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 22, 2021

TO: Honorable Greg Bonnen, Chair, House Committee on Appropriations

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 1st 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 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.

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 14, 2021

TO: Honorable Greg Bonnen, Chair, House Committee on Appropriations

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4018 by Capriglione (Relating to the creation of the technology improvement and modernization account and the permissible uses of money in the account.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time. The bill would amend Chapter 2054 of the Government Code to create the Technology Improvement and Modernization Account which would consist of money received from the federal government for the purposes of improving and modernizing state agency information resources. 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 Account (account) in the General Revenue Fund administered by the Department of Information Resources (DIR). The account would consist of money received from the federal government for the purposes of improving and modernizing state agency information resources. The bill would provide that money in the account would be appropriated to DIR to improve and modernize state agency information resources, including legacy system and cybersecurity projects.

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 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.

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