

SUBJECT: Revising DIR's administrative duties for state information resources

COMMITTEE: Government Reform — favorable, with amendment

VOTE: 4 ayes — Swinford, Allen, Casteel, R. Cook

0 nays

3 absent — Gallego, Callegari, T. Smith

SENATE VOTE: On final passage, April 28 — voice vote

WITNESSES: *(On House companion bill, HB 2067:)*

For — None

Against — None

On — David Dennis, Comptroller's Office; Carolyn Purcell, Department of Information Resources

BACKGROUND: The Department of Information Resources (DIR) was created in 1989 to plan and coordinate information resources technologies used by state agencies. DIR's primary role is to set the direction for statewide strategic management of information resources through its biennial State Strategic Plan for Information Resources, which provides state agencies and universities with guidelines for planning their use of information technology.

In 1997, the 75th Legislature enacted SB 820 by West to create an electronic procurement marketplace for state agencies and political subdivisions under the General Services Commission, now the Texas Building and Procurement Commission. The agency has a pilot program through which governmental entities may solicit, receive, and award bids.

In 1999, the 76th Legislature enacted SB 974 by Shapleigh, which created an electronic government (e-government) task force to assess the feasibility of offering government services online. Organized by the DIR, the task force launched the TexasOnline Internet portal in 2000. The site is funded by a \$1

service fee on most of the site's transactions. The portal now has links to more than 200 state agency forms and applications; offers many government services online, such as license renewal with the Real Estate Commission and motor-vehicle registration for several counties; and has several services under development, including driver's license and concealed handgun license renewal, traffic ticket payments for the city of Houston, and workers' compensation insurance coverage inquiries.

The 77th Legislature in 2001 enacted SB 1458 by Duncan and Shapleigh, which authorized a number of e-government initiatives to coordinate and standardize the state's e-government projects, as well as to provide more government services through the Internet. SB 1458 designated the DIR executive director as the state's chief information officer and created a Program Management Office (PMO) within DIR to guide state information technology (IT) initiatives, including development and management of a strategic operating plan.

DIGEST: SB 1701, as amended, would restructure DIR's administrative duties in regard to guiding the development of technology-related services for state agencies.

In preparing the state strategic plan, the DIR executive director would have to assess and report on return-on-investment guidelines established by DIR to help agencies implement IT projects more effectively. The state strategic plan would have to:

- provide a strategic direction for IT programs for the next five years;
- outline a state information architecture based on a logically consistent set of principles, policies, and standards to guide state IT systems;
- report on critical electronic government projects;
- establish reporting guidelines for state agencies to report key factors in their strategic plans;
- provide long-range policy guidelines;
- identify major issues facing state agencies in terms of acquisition of computer hardware and software and IT services, including developing performance measures and identifying ways to reuse software codes purchased with public funds; and
- identify priorities for implementing information resources technologies and the return-on-investment and cost-benefit analysis strategies.

DIR, the state auditor, and the Legislative Budget Board (LBB) would have to establish a quality assurance team (QAT) and would have to specify in writing each entity's responsibility in the team. The QAT would have to:

- assist DIR and agency information resources managers in developing the state strategic plan;
- assist DIR in reviewing agency strategic plans;
- help DIR establish standards for agencies to follow in implementing major information resources projects and consortia projects, in which multiple state agencies would establish common information resources infrastructure; and
- coordinate with the governor and DIR in developing a model for funding consortia projects.

A state agency could not spend appropriated funds for a major information resources project unless approved by the QAT, as well as by LBB. The QAT, in coordination with the governor, could recommend major information resources projects to DIR for oversight. An agency with a project selected for oversight would have to pay for oversight based on a funding model developed by DIR. The QAT would have to evaluate major information resources projects to determine if they were on time and within budget and could establish a corrective action plan or terminate a project, subject to LBB approval, if the project was poorly managed or had excessive cost overruns. After completion of a major information resources project, the QAT could require an agency to report on whether the project met its objectives. By December 1 of each year, the QAT would have to report on the status of major information resources projects to the governor, lieutenant governor, House speaker, and legislative budget leaders.

DIR, rather than LBB, would have to prescribe the format for an agency strategic plan and guide agencies in preparing those plans. Agency plans would have to:

- state how proposed IT projects would provide a return on investment according to DIR guidelines;
- describe past performance of other projects;
- report the status of the agency's quality assurance initiatives for security and major information resources projects; and

- describe measures taken to comply with DIR rules and standards.

SB 1701 would authorize the PMO to manage electronic government projects and would require DIR to work with the QAT and the governor to develop a model for funding electronic government projects.

LBB would have to review and approve or disapprove an agency's biennial operating plan within 60 days after the date the plan was submitted. DIR would have to provide LBB with a list of agencies that had not complied with department standards, provisions of the state strategic plan, or corrective action plans. An agency so identified would have to develop a corrective action plan approved by DIR before LBB could approve components of or amendments to the agency's biennial operating plan.

The bill would require DIR to operate or manage operations of the State Data Center on the campus of Angelo State University, which all state agencies and higher education institutions would be expected to use for data center operations, testing disaster-recovery plans, and for disaster recovery under contract with DIR.

The bill would take effect September 1, 2003.

NOTES:

The committee amended the Senate engrossed version of SB 1701 by:

- amending provisions for the State Data Center by linking the definition of "best value" to procurement code definitions and by specifying that DIR must develop a comprehensive IT plan relating to use of the Data Center as one of the state's consolidated data centers; and
- specifying that LBB would have to approve or disapprove an agency's biennial operating plan within 60 days of submission.