

## **BILL ANALYSIS**

Senate Research Center  
88R13213 YDB-F

S.B. 1159  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under the Texas Government Code, the Department of Information Resources (DIR) bears the responsibility for handling the day-to-day technological affairs of the State to ensure that state agencies and the public continue to have access to important commercial software, hardware, or technology services. For instance, part of DIR's duties and responsibilities include the following:

1. provide security services (Chapter 2059, Government Code);
2. provide telecommunication services (Chapter 2170, Government Code);
3. negotiate cooperative contracts for information technology commodity items (Section 2157.068, Government Code); and
4. establish and maintain statewide technology centers and online portals (Chapter 2054, Government Code).

Under these four aforementioned duties, however, the statutory definition for entities who may be eligible as customers for DIR to provide its services are not consistent. Some entities that are eligible for more than one program may be subject to different statutory definitions under the programs. As a result, the varying definitions and eligible customer lists across these four programs has not only increased the DIR staff's workload to ensure compliance, but also created confusion among the vendors and existing customers.

This bill seeks to align eligibility among customers across all of DIR's statewide technology centers, telecommunication services, and cooperative contracts programs using existing statutory definitions. The executive director of DIR can exercise discretion as to what extent the existing eligibility criteria should be expanded and customers still have the freedom to participate if they so choose.

#### **Key Provisions:**

- Adds a new section in the Government Code, Chapter 2054, Information Resources, that creates a comprehensive list of eligible customers using language from the following existing statutes in the same chapter:
  - Texas Computer Network Security System (ch. 2059)
  - Purchasing—Purchase of Automated Information System (ch. 2157)
  - Telecommunication Services (ch. 2170)

#### **Support:**

- Texas Department of Information Resources

As proposed, S.B. 1159 amends current law relating to the eligibility of certain entities for services and commodity items provided by the Department of Information Resources and statewide technology centers.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter C, Chapter 2054, Government Code, by adding Section 2054.0525, as follows:

Sec. 2054.0525. CUSTOMERS ELIGIBLE FOR DEPARTMENT SERVICES. Provides that if the executive director of the Department of Information Resources (DIR) determines that participation is in the best interest of this state, the following entities are eligible customers for services DIR provides:

- (1) a state agency;
- (2) a local government;
- (3) the legislature or a legislative agency;
- (4) the Supreme Court of Texas (supreme court), the Texas Court of Criminal Appeals (court of criminal appeals), or a court of appeals;
- (5) a public hospital owned or operated by this state or a political subdivision or municipal corporation of this state, including a hospital district or hospital authority;
- (6) the Electric Reliability Council of Texas;
- (7) the Texas Permanent School Fund Corporation;
- (8) an assistance organization, as defined by Section 2175.001 (Definitions);
- (9) an open-enrollment charter school, as defined by Section 5.001 (Definitions), Education Code;
- (10) a private school, as defined by Section 5.001, Education Code;
- (11) a private or independent institution of higher education, as defined by Section 61.003 (Definitions), Education Code;
- (12) a public safety entity, as defined by 47 U.S.C. Section 1401;
- (13) a volunteer fire department, as defined by Section 152.001 (Definitions), Tax Code; and
- (14) a governmental entity of another state.

SECTION 2. Amends Section 2054.375(1), Government Code, to define "eligible entity" and to delete existing definition of "governmental entity."

SECTION 3. Amends Sections 2054.376(a), (a-1), and (b), Government Code, as follows:

(a) Provides that Subchapter L (Statewide Technology Centers) applies to all information resources technologies, other than telecommunications services governed by Chapter 2170 (Telecommunications Services), that are:

- (1) obtained by a state agency using state money; or
- (2) used by a participating eligible entity.

Deletes existing text providing that this subchapter applies to all information resources technologies, other than telecommunications service, advanced communications services, or information service, as those terms are defined by 47 U.S.C. Section 153, that are

obtained by a state agency using state money, used by a state agency, or used by a participating local government.

(a-1) Provides that this subchapter, notwithstanding Subsection (a), applies to electronic messaging service and outsourced managed services that are:

(1) obtained by a state agency using state money; or

(2) used by a participating eligible entity, rather than used by a state agency or used by a participating local government.

(b) Provides that this subchapter does not apply to:

(1) a Texas equivalent of a federal database or network used for criminal justice or homeland security purposes that is managed by the Department of Public Safety of the State of Texas (DPS);

(2)-(4) makes nonsubstantive changes to these subdivisions.

Deletes existing text providing that this subchapter does not apply to DPS's use for criminal justice or homeland security purposes of a federal database or network, a Texas equivalent of a database or network described by Subdivision (1), or a database or network managed by the Department of Agriculture.

SECTION 4. Amends Section 2054.3771, Government Code, as follows:

Sec. 2054.3771. New heading: ELIGIBLE ENTITIES. Authorizes DIR to establish or expand a statewide technology center to include participation by an eligible entity, rather than by a local government.

SECTION 5. Amends Section 2054.378(a), Government Code, as follows:

(a) Authorizes DIR to operate statewide technology centers to provide participating eligible entities, rather than two or more governmental entities, on a cost-sharing basis, services relating to:

(1)-(2) makes no changes to these subdivisions.

SECTION 6. Amends Section 2054.380(a), Government Code, as follows:

(a) Requires DIR to set and charge a fee to each participating eligible entity, rather than each governmental entity, that receives a service from a statewide technology center in an amount sufficient to cover the direct and indirect cost of providing the service.

SECTION 7. Amends Section 2054.382(a), Government Code, as follows:

(a) Requires DIR to manage the operations of statewide technology centers that provide data center services or disaster recovery services for two or more participating eligible entities, rather than state agencies, including management of the operations of the center on the campus of Angelo State University.

SECTION 8. Amends the heading to Section 2054.3851, Government Code, to read as follows:

Sec. 2054.3851. ELIGIBLE ENTITY PARTICIPATION AND SELECTION.

SECTION 9. Amends Sections 2054.3851(a), (b), (c), and (d), Government Code, as follows:

(a) Authorizes an eligible entity listed in Section 2054.0525, other than a state agency, rather than a local government, to submit a request to DIR to receive services or operations through a statewide technology center. Requires the eligible entity, rather than

local government, to identify its particular requirements, operations costs, and requested service levels.

(b)-(d) Makes conforming changes to these subsections.

SECTION 10. Amends Section 2059.001, Government Code, by adding Subdivision (2-a) and amending Subdivision (4) to define "local government" and redefine "state agency."

SECTION 11. Amends Section 2059.058, Government Code, as follows:

Sec. 2059.058. AGREEMENT TO PROVIDE NETWORK SECURITY SERVICES TO ENTITIES OTHER THAN STATE AGENCIES. Authorizes DIR, in addition to DIR's duty to provide network security services to state agencies under Chapter 2059 (Texas Computer Network Security System), to provide network security services to:

- (1) each house of the legislature and a legislative agency;
- (2) a local government;
- (3) the supreme court, the court of criminal appeals, or a court of appeals;
- (4) a public hospital owned or operated by this state or a political subdivision or municipal corporation of this state, including a hospital district or hospital authority;
- (5) the Texas Permanent School Fund Corporation;
- (6) an open-enrollment charter school, as defined by Section 5.001, Education Code;
- (7) a private school, as defined by Section 5.001, Education Code;
- (8) a private or independent institution of higher education, as defined by Section 61.003, Education Code;
- (9) a volunteer fire department, as defined by Section 152.001, Tax Code; and
- (10) an independent organization certified under Section 39.151 (Essential Organizations), Utilities Code, for the ERCOT power region.

Deletes existing text defining "special district." Deletes existing text authorizing DIR, in addition to DIR's duty to provide network security services to state agencies under this chapter, to provide network security to an agency that is not a state agency, including a legislative agency, a political subdivision of this state, including a county, municipality, or special district, and a public junior college.

SECTION 12. Amends Section 2059.201, Government Code, as follows:

Sec. 2059.201. ELIGIBLE PARTICIPATING ENTITIES. Provides that a state agency or an entity listed in Section 2059.058 (Agreement to Provide Network Security Services to Entities Other Than State Agencies), rather than Sections 2059.058(b)(3)-(5), is eligible to participate in cybersecurity support and network security provided by a regional network security center under Subchapter E (Regional Network Security Centers).

SECTION 13. Amends Section 2157.001, Government Code, by adding Subdivisions (3) and (4) to define "local government" and "state agency."

SECTION 14. Amends Section 2157.068(j), Government Code, as follows:

(j) Authorizes the following entities to purchase commodity items through DIR, and be charged a reasonable administrative fee, as provided by Section 2157.068 (Purchase of Information Technology Commodity Items):

(1)-(5) makes no changes to these subdivisions;

(6) a public safety entity, as defined by 47 U.S.C. Section 1401, rather than subject to Section 418.193 (Purchase of Information Technology Commodity Items for Disaster Purposes), a public safety entity;

(7) the supreme court, the court of criminal appeals, or a court of appeals;

(8) a public hospital owned and operated by this state or a political subdivision or municipal corporation of this state, including a hospital district or hospital authority, rather than subject to Section 418.193, a county hospital, public hospital, or hospital district;

(9) makes nonsubstantive changes to this subdivision;

(10) an open-enrollment charter school, as defined by Section 5.001, Education Code; or

(11) the legislature or a legislative agency.

SECTION 15. Amends Section 2170.001(a), Government Code, by adding Subdivision (4) to define "state agency."

SECTION 16. Amends Section 2170.004, Government Code, as follows:

Sec. 2170.004. **CONTRACTS WITH ENTITIES OTHER THAN STATE AGENCIES.**  
Authorizes DIR to contract for use of the consolidated telecommunications system with:

(1)-(2) makes no changes to these subdivisions;

(3) the supreme court, the court of criminal appeals, or a court of appeals;

(4) a state governmental entity other than a state agency, rather than an agency that is not a state agency as defined by Section 2151.002 (Definition);

(5) a local government, as defined by Section 2054.003 (Definitions), rather than a political subdivision, including a county, municipality, or district;

(6) a private institution of higher education, as defined by Section 61.003, Education Code, rather than a private institution of higher education accredited by a recognized accrediting agency, as defined by Section 61.003, Education Code, that engages in distance learning, as defined by Section 57.021 (Definitions), Utilities Code, and receives federal funds for distance learning initiatives;

(7) makes a nonsubstantive change to this subdivision;

(8) a public safety entity, as defined by 47 U.S.C. Section 1401, rather than subject to Section 418.194 (Contracts With Certain Entities for Disaster Purposes), a public safety entity, as defined by 47 U.S.C. Section 1401;

(9) a governmental entity of another state, rather than subject to Section 418.194, a governmental entity of another state;

(10) a public hospital owned or operated by this state or a political subdivision or municipal corporation of this state, including a hospital district or hospital authority;

(11) the Electric Reliability Council of Texas;

(12) the Texas Permanent School Fund Corporation;

(13) an open-enrollment charter school, as defined by Section 5.001, Education Code;

(14) a private school, as defined by Section 5.001, Education Code;

(15) a private or independent institution of higher education, as defined by Section 61.003, Education Code; and

(16) a volunteer fire department, as defined by Section 152.001, Tax Code.

SECTION 17. Repealers: Sections 418.193 (Purchase of Information Technology Commodity Items for Disaster Purposes) and 418.194 (Contracts with Certain Entities for Disaster Purposes), Government Code.

SECTION 18. Effective date: September 1, 2023.