

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The proposed committee bill adds duties and responsibilities to the STO for planning, policy making, project management, and reporting for statewide information technology planning and management. The proposed committee bill transfers duties and responsibilities from the STO to DMS for statewide communications, data center, wireless communications, and security services.

B. EFFECT OF PROPOSED CHANGES:

Background

The information Services Technology Development Task Force (Task Force) was created in 1999 to focus on development of state policies to enable Florida to compete successfully in the information age. The Task Force was comprised of public, private, and industry members with a stake in the development and success of Florida's internet policy, infrastructure, community access, and overall economic development.¹ The task force made recommendations to the 2000 and 2001 Legislature in eight policy areas, one of which was e-government.

The 2000 Task Force recommended creation of a centralized information technology organization to ensure cost-effective deployment of technology across the various state agencies and entities. It was asserted such an organization could eliminate duplication of systems, services, resources, and expertise. The task force also advised that consolidating the agencies' technology purchases totaling more than \$1 billion per year would leverage the state's purchasing power further driving down costs. It was recommended the state employ operational strategies used successfully by many private sector entities such as FedEx and Cisco.²

That year, the Legislature adopted SB 1334 (Ch. 2000-164, LOF) enacting many of the Task Force recommendations, such as, establishment of the Uniform Electronic Transaction Act, online procurement by state agencies, enhancement to acceptance of credit cards by state agencies, the creation of a State Chief Information Officer (CIO) and a centralized STO to provide direction to agencies on information technology matters. The STO was assigned responsibility for operating the statewide communications, data center, and wireless communications services previously under the direction of DMS.

The 2001 Task Force recommended consolidation of information technology resources and encouraging the state to conduct business as an "enterprise." It was asserted such an organization could maximize resources, employ technologies and resources more effectively, increase ability to negotiate volume pricing, and enable citizens to benefit from e-government services.

In response, the Legislature adopted HB 1811 (Ch. 2001-261, LOF) which expanded the authority and responsibility of the STO and consolidated information technology resources in the executive branch. The STO was charged with primary responsibility and accountability for the development, implementation, use, and management of information technology in the state. The anticipated outcome of the changes was an enterprise-wide vision and mission for information technology architecture, standardized security protocols, systems design, project management, online licensing, and online

¹ 2001 Annual Report of the Information Services Technology Development Task Force, February 14, 2001.

² 1999 Annual Report to the Legislature, Information Services Technology Development Task Force, February 14, 2000.

procurement; a government more responsive to the needs of Florida's citizens and businesses; and, a reduction in cost of state government.³

Present Situation

The STO is primarily responsible and accountable for development, use, and management of information technology on behalf of the state and to use these resources in the best interest of the state. They are charged with implementing the state's expressed goals for information technology, which includes but is not limited to, integrating electronic systems, providing information technology in the most cost-effective and efficient means, providing support and guidance to enhance the state's use and management of information technology, and providing focused management attention and managerial accountability to information technology. To assist them in carrying out these duties, the STO is authorized to adopt rules implementing policies and procedures and to set technical standards.

The STO is the service provider to agencies and qualified entities for statewide telecommunications, network communications, wireless communications, data center, applications development, and security services. Major initiatives in these areas include telecommunication services, network services, the outsourcing initiative known as ITN 007 – MyFloridaNet related to data transport, the Statewide Law Enforcement Radio System, domestic security initiatives known as the Interoperability Network and the Mutual Aid Network, the MyFlorida.com portal, the emergency "911" system and plan, the Wireless "911" board, data center operations, services, and contracts, applications development services and contracts, and another domestic security initiative known as the network security operations center.

The Legislature receives information from the STO through two venues. First, the State Annual Report for Enterprise Resource Planning and Management provides a snapshot of agency inventory and spending by budget category. The report provides more information regarding what has occurred in information technology than what should occur in information technology. Second, the STO reviews agency information technology budget issues submitted in the agency legislative budget request (LBR). The STO analyzes and ranks each request based upon how critical it is first to the agency's operations and then to enterprise. It is not clear to what extent the legislative budget committees use this information.

The STO recently reported its dual responsibilities of policy advisor and service provider have hampered its ability to implement the statewide vision for information technology envisioned by the Legislature and the Governor. Despite being assigned the authority to carry out the duties which would guide and improve the way government manages its information technology assets, the STO reports the dual functions have created a conflict of interest. The report states, "To be effective in its policy role, the STO must be objective in recommending enterprise-wide IT initiatives and assessing agency-specific IT project proposals. However, it appears the STO's policy recommendations have been driven, to a significant degree, by its desire to provide the recommended IT services and by the need to recover its costs. This has manifested in a lack of planning and feasibility determinations, flawed procurements, and poor contracting."

The report goes on to say, "In addition, the STO has neither developed nor articulated a clear, narrowly focused mission statement. Rather, the organization has operated in a scattershot fashion-trying to be "all things to all people" – and has failed to cement its role in state government. At the same time, the STO has not gained the state agencies' confidence and trust. The agencies still do not generally support the STO's efforts. They perceive the STO as trying to "take over" their IT functions, and thus, as a threat. As well, the agencies do not see the STO as a resource – either as a service

³ House Bill Analysis for HB 1811, House Committee on Information Technology, 2001.

provider or as an advocate before the Legislature.”⁴ For these reasons, the STO is recommending reassignment of some of its current duties and responsibilities.

The DMS is the administrative and operations arm of state government providing services to state agencies and employees. DMS currently manages services in the areas of purchasing, human resource management, facilities management, retirement benefits, and insurance benefits.

The Technology Review Workgroup (TRW) is a legislative organization created to serve the appropriations committees and the Legislative Budget Commission (LBC). The TRW analyzes and makes recommendations regarding the information technology portion of the agencies’ long-range plans, statewide policies recommended by the STO, and agencies’ information technology LBR requests. The TRW provides project monitoring for information technology projects identified by the Legislature as needed such assistance.

The Governor, in his Proposed FY 2005-06 Budget, recommended transfer of the statewide communications, data center, wireless communications, and security services from the STO to DMS. The recommendation implied changes in duties and responsibilities for both the STO and DMS, however, substantive legislation was not submitted for consideration. Subsequently, the STO submitted a proposed list of their revised duties and responsibilities. The duties include strategic planning, project management for enterprise and specific agency projects, establishing policies and standards for enterprise architecture, communication, and security, establishing rules, policies, procedures, and standards governing project management and information technology investments, and preparing the state annual report for information technology.

Effects of Proposed Change

The proposed committee bill transfers duties and responsibilities for statewide communications, wireless communications, data center, and security operations from the STO to DMS. DMS will be responsible for providing these services to state agencies and other qualified entities in a cost effective and efficient manner. A list of the major initiatives of these service areas is contained in the section describing the present situation.

The proposed committee bill focuses the STO duties and responsibilities on state-level information technology management. The STO is to develop the enterprise mission, goals and objectives consistent with the information technology guiding principles for cost effective and integrated technology systems and develop plans for achieving the same. The STO is to develop policies, standards, guidelines, and procedures in consultation with the Agency Chief Information Officers Council to guide and improve the way the state manages its information technology. The STO is to adopt a project management methodology and provide project management services to agencies identified by the legislature as requiring assistance. The STO is to prepare the State Annual Information Technology Investment Portfolio Report and make recommendations to the Governor and the Legislature for achieving cost effective, integrated, citizen-centered technology systems for the state.

State agency heads are given primary responsibility and accountability for development, use, and management of information technology in accomplishing the agency’s mission. The agency head can appoint an agency CIO to assist them in carrying out these responsibilities. The agency CIO in turn has responsibility for advising the agency head regarding the information technology management and infrastructure needs of the agency, preparing recommendations, and preparing reports. The agency CIO will serve on the Agency Chief Information Officers Council in order to provide necessary agency-level input into the STO’s formulation of the state-level information technology requirements. Agency

⁴ *Proposed Reorganization of the State Technology Office*, prepared by the State Technology Office to explain their reorganization proposal.

CIO's must also provide an assessment of progress made toward implementing enterprise information technology policies, standards, guidelines, and procedures.

Information Technology budget issues submitted in agency LBRs are reviewed by the STO. The STO is to evaluate these issues and make recommendations to the Governor and the Legislature regarding their impact and consistency with the legislative intent and guidelines for information technology systems. These duties previously appeared in the TRW's authorizing section of statute and have been re-established in the section creating the STO's duties and responsibilities.

The proposed committee bill renames the Agency Enterprise Resource Planning and Management Report to the Agency Information Technology Investment Portfolio Report. The proposed committee bill also renames the State Annual Report for Enterprise Resource Planning and Management Report to the State Annual Information Technology Investment Portfolio Report. The reports will focus more on how well each agency and the state are achieving legislative intent and implementing information technology with respect to statutory guidelines. Agencies and the STO on behalf of the state will also provide a forecast of information technology projects and infrastructure necessary to meet the guidelines.

The TRW duties and responsibilities to the appropriations committees and the LBC remain unchanged.

C. SECTION DIRECTORY:

Section 1. Amends s. 20.22, F.S., establishing the Technology Program in DMS.

Section 2. Amends s. 186.022, F.S., conforming a reference to the state annual report pertaining to information technology.

Section 3. Amends s. 216.0446, F.S., removing the STO from review of the long-range program plans.

Section 4. Repeals s. 216.292, F.S., an expired provision authorizing transfer of positions and appropriations for the purpose of consolidating information technology resources.

Section 5. Amends s. 282.0041, F.S., modifying definitions to reflect proposed policy changes.

Section 6. Amends s. 282.005, F.S., updating legislative findings and intent with respect to information technology. Provides agency heads are responsible and accountable for agency information technology and that the STO is responsible on behalf of the state.

Section 7. Amends s. 282.102, F.S., establishing DMS as responsible for statewide communications services.

Section 8 through 17. Amends ss. 282.103, 282.104, 282.105, 282.106, 282.107, 282.1095, 282.111, 282.20, 282.21, and 282.22, F.S., conforming duties and responsibilities to reflect reassignment of communications, wireless communications, and computing services to DMS.

Section 18. Repeals s. 282.23, F.S., relating to technology procurement.

Section 19. Creates s. 282.3025, F.S., establishing the powers and duties of the STO.

Section 20. Amends s. 282.3031, F.S., conforming section to new definitions and removing the STO from primary responsibility for state agencies.

Section 21. Amends s. 282.3032, F.S., relating to guiding principles for information technology systems.

- Section 22. Amends s. 282.3055, F.S., relating to appointment of an agency chief information officer and associated duties and responsibilities.
- Section 23. Amends s. 282.3063, F.S., renaming the Agency Annual Enterprise Resource Planning and Management Report to the Agency Information Technology Investment Portfolio Report and modifying the report contents.
- Section 24. Amends s. 282.310, F.S., renaming the State Annual Report on Enterprise Resource Planning and Management to the State Annual Information Technology Investment Portfolio Report and modifying the report contents.
- Section 25. Amends s. 282.315, F.S., modifying the duties and responsibilities of the Agency Chief Information Officers Council and providing recommendations be made to the STO for information technology deficiencies.
- Section 26. Amends s. 282.318, F.S., establishing each agency as responsible for security of data and information technology infrastructure.
- Sections 27 and 28. Amends ss. 365.171 and 365.172, F.S., conforming emergency 911 and wireless 911 services to reflect reassignment of responsibilities to DMS.
- Section 29. Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

To the extent DMS reduces the overhead costs of technology services, and to the extent the rates charged state agencies and qualified entities for these services are reduced, revenues collected will go down.

2. Expenditures:

Reorganization - Agency reorganizations require changes in accounting, personnel, budgeting, contract, property, and other administrative records used for operating an agency. There are also costs associated with changes in rules, policies, and procedures used to communicate new organizational protocols and processes. The STO and DMS will pay costs incurred in implementing the reorganization from existing funds as no funds are appropriated to cover these costs.

Expenditures by agencies - To the extent that an agency is a customer of the information technology services currently provided by the STO, and to the extent the reorganization results in a reduction of the overhead costs of these services, customers may experience a reduction in the rates charged for these services.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

Expenditures by qualified entities - To the extent a local government entity is a customer of the information technology services currently provided by the STO, and to the extent the reorganization results in a reduction of the overhead costs of these services, the local government entity may experience a reduction in the rates charged for these services.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The Department of Management Services is provided rulemaking authority and specific duties to be implemented. Rules exist pertaining to communications systems and services, wireless services, and computing services. The department will need to modify the rules to delete references to the State Technology Office and insert the department.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES