

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Policy and Steering Committee on Ways and Means

BILL: CS/SB 2020

INTRODUCER: Policy and Steering Committee on Ways and Means and Senator Alexander

SUBJECT: Information Technology Governance

DATE: March 26, 2010 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hawkins	Coburn	WPSC	Fav/CS
2.			GO	
3.			RC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill revises the duties of the Agency for Enterprise Information Technology (AEIT), by expanding its coordinative role in purchasing information technology (IT) products for enterprise information technology services and for those IT products used by multiple agencies for the purpose of saving money for the state. It establishes a competitive solicitation process for procuring a statewide consolidated email service and requires the consolidation of SUNCOM services connecting users in state primary data centers to SUNCOM Network services by October 1, 2010. The bill also allows for the staggered consolidation of agency computing services required by Section 17, chapter 2008-116, Laws of Florida into the three primary data centers (Southwood Shared Resource Center, Northwood Shared Resource Center and the Northwest Regional Data Center). The bill also provides for the ability of the state primary data centers to contract with each other for administrative services.

The bill contains an appropriation of three full time equivalent positions and \$300,000 in general revenue to implement provision relating to the AEIT's expanded purchasing role.

This bill amends ss. 14.204, 282.201, 282.203, 282.204, 282.315, 282.34, 408.0615, 282.0041, 282.702, 282.703, and 282.707 of the Florida Statutes.

II. Present Situation:

Background

Prior to the creation of the AEIT, the State Technology Office (STO) was established in the Department of Management Services (DMS) in 1997.¹ During the 2000 and 2001 legislative sessions,² the Legislature significantly amended statutes allowing for the consolidation and centralization of information technology (IT) assets and resources for executive branch agencies. After failure of the STO to provide effective and credible IT governance for all executive branch agencies, in 2004 the Legislature passed CS/CS/SB 1494, to transfer operational responsibilities for telecommunications and management of the technology resource data center to the DMS, and to place the strategic planning and policy responsibilities of the STO with a successor entity, the Florida Technology Council. The bill was vetoed by the Governor and the STO underwent de facto dissolution, since the FY 2005-06 General Appropriations Act made no appropriation for the funding of positions in the STO budget entity. The DMS did not request funding for the re-establishment of the STO budget entity for FY 2006-07. The DMS subsequently provided for the operational responsibilities of the STO through an entity called Enterprise Information Technology Services (EITS). The responsibilities of the EITS entity were not established in statute.

In the absence of a workable and sustainable IT governance structure for the state, the Legislature, in 2007 created the Agency for Enterprise Information Technology (AEIT) as the successor agency of the STO and EITS, and assigned it responsibilities for IT strategic planning, enterprise IT policies and standards, enterprise IT security, and the management of enterprise IT services that would be defined in law.³

Agency for Enterprise Information Technology (AEIT)

The AEIT is created in s. 14.204, F.S. The Governor and Cabinet are the agency head of the AEIT, though it is statutorily housed in the Executive Office of the Governor (EOG). The AEIT is a separate budget entity that is not subject to control, supervision, or direction by the EOG in any manner. As agency head, the Governor and Cabinet are authorized to appoint an executive director, who is the chief information officer (CIO) of the state. Section 282.0055, F.S., delegates responsibility to the AEIT for the design, planning, project management, and implementation of enterprise information technology services for functions that have been previously delegated to executive branch agencies. The first enterprise IT service assigned to AEIT was the statewide data center system, in 2008.⁴ The AEIT was subsequently assigned enterprise responsibilities for information technology security and statewide email.

Among the duties assigned to the AEIT is the development of a work plan describing the activities that the agency intends to undertake each year, and proposed outcomes and completion timeframes.⁵ The work plan must be approved by the Governor and Cabinet and submitted to the President of the Senate and the Speaker of the House of Representatives.

¹ Chapter 97-286, L.O.F.

² Chapter 2000-164, L.O.F.; Chapter 2001-261, L.O.F.

³ Chapter 2007-105, L.O.F.; CS for SB 1974. The legislation also distributed STO duties to other entities.

⁴ Chapter 2008-116, L.O.F.; CS for SB 1892, which created the statewide data center system, and also made adjustments to the duties of the AEIT.

⁵ Section 282.0056, F.S.

The State Data Center System

The state data center system was created by the Legislature in 2008.⁶ The system is composed of primary data centers (Southwood Shared Resource Center, Northwood Shared Resource Center and the Northwest Regional Data Center), other nonprimary data centers, and computing facilities serving state agencies. A “primary data center” is a state or nonstate agency data center that is a recipient entity for consolidation of nonprimary data centers and computing facilities. A primary data center may be authorized in law or designated by the AEIT.⁷ A “computing facility” is an agency space containing fewer than 10 servers, any of which supports a strategic or nonstrategic information technology service, as described in budget instructions developed pursuant to s. 216.023, F.S., but excluding single-server installations that exclusively perform a utility function such as file and print servers.⁸

The AEIT is responsible for establishing operating policies for the system.⁹ It must:

- Maintain an inventory of facilities within the state data center system.
- Submit to the Legislature by December 31 of each year recommendations to improve the efficiency and effectiveness of computing services provided by state data center system facilities.
- Identify, by October 1 of each year, at least two nonprimary data centers or computing facilities for consolidation into a primary data center or nonprimary data center facility and submit a transition plan.
- Establish by December 31, 2010 an overall schedule of consolidation of all data centers into primary data centers by 2019.

Information Technology Security

In 2009 the Office of Information Security was established within the AEIT, creating duties for both the office and agencies with regards to enterprise security. The office must perform the following duties:

- Develop and annually update an enterprise information security strategic plan that includes security goals and objectives for the strategic issues of information security policy, risk management, training, incident management, and survivability planning.
- Develop enterprise security rules and published guidelines.
- Assist agencies in complying with the provisions of s. 282.318, F.S.
- Pursue appropriate funding for the purpose of enhancing domestic security.
- Provide training for agency information security managers.
- Annually review the strategic and operational information security plans of executive branch agencies.

⁶ Chapter 2008-116, L.O.F.; CS for SB 1892.

⁷ Section 282.0041(18), F.S.

⁸ Section 282.0041(8), F.S.

⁹ Section 282.201(2), F.S.

Statewide Email Service

In 2009 the Legislature established the state e-mail system as an enterprise information technology service to be provided by the Southwood Shared Resource Center. The AEIT was required to collect information about existing email resources, develop a business case and a strategy for transitioning to a statewide enterprise e-mail service and provide recommendations by December 31, 2009 to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Additionally, state agencies were also prohibited from expanding their current e-mail services.

The AEIT's December 31st report provided estimated expenditures for fiscal year 2009-10 for agency email costs of \$8.6 million for 117,431 users equating to a cost of just over \$6 per user per month. . Additionally agencies reported 65 positions and over 500 servers and devices involved with provision of state agency email services. A primary recommendation by the AEIT was that further analysis was needed to document equipment and technology refresh costs over the life cycle of the agency email systems to determine an accurate cost of the current email systems as the basis for establishing a cost benefit analysis of moving to a statewide email service.

SUNCOM Network

The Division of Telecommunications in the Department of Management Services is responsible for the SUNCOM Network. The SUNCOM Network was originally established as a voice communications network for the state, providing all state agencies with local and long distance communications services. However as the telecommunications industry evolved and enhanced technologies emerged, the SUNCOM Network was statutorily changed to be developed as a network that can transmit all types of communications signals, including, but not limited to, voice, data, video, image, and radio.

The today the SUNCOM Network is comprised of:

- Voice services (local/long distance phone, 1-800 service, voice over IP, hosted interactive voice response)
- Data transport services
- Wireless services (mobile)
- Remote access services(VPN)
- Infrastructure services (assistance in procuring telecommunications)
- Conference services (video/web conferencing)

Statute requires that all state agencies and state universities use the SUNCOM Network for agency and state university communications services; however, no agency or state university is relieved of responsibility for maintaining communications services necessary for effective management of its programs and functions. If the SUNCOM Network services do not meet the communications requirements of an agency or state university, the agency or state university may request exemption for its use through an exemption process established by the DMS.

III. Effect of Proposed Changes:

Section 1 amends s. 14.204, F.S., to expand the duties of the AEIT to include coordination of information technology procurements relating to statewide email and information technology

security in addition to existing duties to coordinate procurements related to data center consolidation; expand duties relating to coordination of procurements used by multiple agencies from software to information technology products as defined in 282.5002 (5) (a), F.S., which includes software, firmware, microcode, hardware, and equipment containing embedded chips or microprocessors that create, read, write, calculate, compare, sequence, or otherwise operate on data; and expand duties relating to establishing best practices for IT procurements. The AEIT is also authorized to develop information technology standards for the statewide email, information technology security and the state data center system (the enterprise information technology services established in law).

Section 2 amends s. 282.201, F.S., relating to recommendations which the AEIT may provide to the Legislature, to include recommendations to change an agency's scheduled date of migration to statewide email, and recommendations relating to techniques for consolidating purchase of information technology commodities and services.

Section 3 amends s. 282.203, F.S., to require state primary data centers to provide twice annually a reporting of costs of services, including direct costs and administrative overhead by July 30 for the current fiscal year and updated January 31; and to require an update to billings by agency reflecting the recovery of those costs, on July 30th and updated January 31st. The data centers are also required to provide estimates of projected billings and projected costs of services for the subsequent budget year by December 1st of each year. By February 15th the primary data centers must provide updates of projected costs and projected billings for proposed legislative budget increases.

This section also provides additional duties for the board of trustees of a primary data center to include requiring an annual performance evaluation process for the executive director and providing that the executive director must be reconfirmed by the board biennially; providing that the board may coordinate with other primary data centers and the AEIT to consolidate purchases where feasible; and allowing the boards to contract with each other to provide administrative services if cost effective.

Section 4 amends s. 282.204, F.S., to delete obsolete provisions relating to the Northwood Shared Resource Center.

Section 5 amends s. 282.315, F.S., relating to the duties of the Agency Chief Information Officers Council to require a report annually, by October 1 to the AEIT, on recommendations related to establishing a process for consolidated purchases of information technology products.

Section 6 amends s. 282.34, F.S., to establish the procurement of a statewide email service; requires a multi-agency project team be established and coordinated by the AEIT to develop a competitive solicitation, requires the Southwood Shared Resource center to issue the competitive solicitation by August 31, 2010, requires vendor responses by October 15, 2010; requires the AEIT and the multi-agency project team to, by December 31, or within 1 month after negotiations are complete, whichever is later, to provide a recommendation on which vendor meets cost and benefit requirements; and establishes a schedule for each state agency to migrate to the statewide email services in four phases completed by June 30, 2015. A process is established for modifying the agency schedule.

Section 7 repeals s. 408.0615, F.S., an obsolete provision relating to specific facility requirements for data held by the Agency for Health Care Administration.

Section 8 amends section 17 of chapter 2008-116, Laws of Florida, to provide that the transfers of agency resources to state primary data centers required by that section shall occur by December 31, 2010, rather than July 1, 2010, to accommodate a staggered transition plan.

Section 9 amends s. 282.0041, F.S., to provide a definition for the “SUNCOM Network” and “Telecommunications”.

Section 10 amends s. 282.702, F.S., to make clarifying changes relating to telecommunications services provided and require policies to be established that ensure that cost recovery methods are reported timely and transparently and are detailed in a report submitted annually to the Governor, the President of the Senate and the Speaker of the House.

Section 11 amends s. 282.703, F.S., to clarify that the SUNCOM network is an enterprise telecommunications system; to require the department to establish standards for telecommunications addressing and numbering plans for the SUNCOM Network; require the department to maintain a directory of the information that provides names, phone numbers and electronic mail addresses for employees, agencies, and network devices that are serviced; and require that by October 1, 2010, all customers of a state primary data center must use the shared SUNCOM Network telecommunications services connecting the state primary data center to SUNCOM services.

Section 12 amends s. 282.707, F.S., to make clarifying changes relating to a review of SUNCOM subscribers to verify they qualify as SUNCOM customers.

Section 13 provides an appropriation to the Agency for Enterprise Information Technology of three full time equivalent positions and \$300,000 of recurring general revenue to implement the provisions of the bill relating to consolidated purchasing for IT products.

Section 14 provides that the bill takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:**Data Center Consolidations:**

Section 9 of this bill provides for phased transition by December 31, 2010, for the reorganization of agency computing services required by Section 17 of chapter 2008-116, Laws of Florida, which are included in the Senate Proposed General Appropriations Act (GAA) for Fiscal Year 2010-2011, and which affects 25 state agencies. These agency computing resources currently support equipment already housed at a primary data center. The budget impacts include:

- \$7.7 million in agency computing services resources being transferred to the Southwood Shared Resource Center (SSRC),
- \$660,000 of computing resources being transferred to the Northwest Regional Data Center (NWRDC), and
- \$1.2 million of computing resources being transferred to the Northwood Shared Resource Center (NSRC).

The above consolidations are in addition to the agency data center consolidations totaling \$1.6 million which are being totally consolidated (equipment and support resources will be moved) into the Northwood Shared Resource Center by the Senate Proposed GAA for the following:

- The Department of Business and Professional Regulation,
- The Department of Citrus, and the
- Department of Juvenile Justice.

The AEIT has identified 75 data centers in total that are subject to chapter 282, F.S., requirements for data center consolidation, including the three primary data centers, the three data centers in the process of being consolidated into primary data centers and one which has been completed. The following additional data center consolidations are required in the Senate Proposed GAA. Planning activities related to these consolidations will be absorbed within current agency resources.

To the Northwest Regional Data Center (NWRDC):

1. Department of Education by December 31, 2011
2. College Center for Library Automation by December 31, 2011
3. Florida Center for Library Automation by December 31, 2011

To the NSRC or the SSRC:

4. Agency for Health Care Administration by June 30, 2012

5. Department of Highway Safety and Motor Vehicles by December 31, 2011
 6. Department of Corrections by June 30, 2012
- To the SSRC:
7. Department of Transportation Burns Office Building by March 31, 2012
 8. Department of Transportation Survey and Mapping Office by March 31, 2012
- To the NSRC:
9. Department of Juvenile Justice by July 1, 2010
 10. Department of Business and Professional Regulation by November 30, 2010
 11. Department of Children and Family Services' Winewood Office Complex by July 1, 2011
 12. Department of Transportation's Motor Carrier Compliance Office by July 1, 2011

Consolidation of SUNCOM Network Services Connectivity for State Primary Data Center Customers:

The bill requires the consolidation of access to SUNCOM Network services for the state primary data centers, primarily affecting customers of the Southwood Shared Resource Center, whose access to SUNCOM Network Services is currently provided by twenty-two separate lines which are planned for consolidation into three lines. The Division of Telecommunications, in the Department of Management Services, projects annual saving to provide these services could be \$300,000 to \$400,000 when services are consolidated.

Statewide Email Services: The AEIT's December 31st report provided estimated expenditures for fiscal year 2009-10 for agency email costs of \$8.6 million for 117,431 users equating to a cost of just over \$6 per user per month. Additionally agencies reported 65 full time equivalent (FTE) positions and over 500 servers and appliances involved with provision of state agency email services. Not included in this cost from agency recurring budgets for fiscal year 2009-10 are costs which the agency may incur over the lifecycle of their email systems for technology refresh or replacement and upgrade of hardware and software. The provisions of the bill require the AEIT to estimate a more accurate cost to the state of maintaining separate agency email systems over the life of the systems for purposes of determining the costs and benefits of moving to a centralized enterprise email service. The provisions of this bill require the procurement of a statewide email service which would likely provide cost savings to the state from:

- Reduced FTE's required to support a consolidated email system,
- Reduced energy costs from a reduced number of servers needed,
- Economies of scale from consolidation and standardization of hardware and software required to support one consolidated email system,
- Consolidated purchase of hardware and software or services related to providing centralized email service to over 117,431 users,
- Reduced facility and space needs currently used by 25 state agencies to provide email using over 500 servers and appliances, and
- Intangible benefits, including standardization of state email addresses and cross agency calendaring and address books.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

The bill analysis represents the committee substitute as passed and amended by the Policy and Steering Committee on Ways and Means on March 26, 2010. The committee substitute revises the duties of the Agency for Enterprise Information Technology (AEIT), by expanding its coordinative role in purchasing information technology (IT) products for enterprise information technology services and for those IT products used by multiple agencies for the purpose of saving money for the state. It establishes a competitive solicitation process for procuring a statewide consolidated email service and requires the consolidation of SUNCOM services connecting users in state primary data centers to SUNCOM Network services by October 1, 2010. The committee substitute also allows for the staggered consolidation of agency computing services required by Section 17, chapter 2008-116, Laws of Florida, into the three primary data centers (Southwood Shared Resource Center, Northwood Shared Resource Center and the Northwest Regional Data Center). The bill also provides for the ability of the state primary data centers to contract with each other for administrative services. The committee substitute contains an appropriation of three full time equivalent positions and \$300,000 in general revenue to implement provision relating to the AEIT's expanded purchasing role.

B. Amendments:

None.