

**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**  
**GOVERNMENTAL OVERSIGHT AND ACCOUNTABILITY**  
**Senator Ring, Chair**  
**Senator Hays, Vice Chair**

**MEETING DATE:** Wednesday, October 9, 2013  
**TIME:** 4:00 —6:00 p.m.  
**PLACE:** *Pat Thomas Committee Room, 412 Knott Building*

**MEMBERS:** Senator Ring, Chair; Senator Hays, Vice Chair; Senators Bean, Benacquisto, Bradley, Hukill, Montford, Simmons, and Smith

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation and discussion relating to State of Florida Governance of Information Technology		Presented
2	Presentation by Department of Financial Services relating to Charts of Account		Presented
Other Related Meeting Documents			

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# Challenges of IT Governance

Governmental Oversight and Accountability Committee

DATE 10/9/2013

# Information Technology (IT) Governance Characteristics

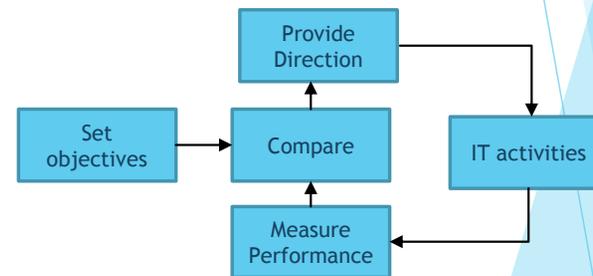
The objective of IT Governance is to ensure that IT resources are managed strategically so that an enterprise can maintain operations and implement IT initiatives resulting in effective processes, reduced costs, and improved efficiency into the future.

## Effective :

- ✓ Aligns the IT strategy with the business strategy
- ✓ Delivers the expected value supported by fast, secure, high quality IT solutions
- ✓ Increases automation making the enterprise more effective
- ✓ IT investments are monitored, managed and transparent providing the ability to uncover and address problems in advance
- ✓ Performance of IT solutions is measured and monitored
- ✓ Ensures the responsible use of IT resources
- ✓ Appropriate management of IT-related risks

## Ineffective :

- X *IT projects often run late and over budgets*
- X *Inability to leverage available new technologies and is perceived as an obstacle*
- X *Failure of IT initiatives to bring the innovations and benefits promised*
- X *The governance process changes frequently and is situational based*
- X *The technology that is implemented is inadequate or even obsolete*
- X *Management sees outsourcing as a quick fix to IT problems*



# History of Florida IT Governance

Over the past 40 years, Florida has statutorily established more than 10 different IT related governance and organizational structures. Of significance were :

1. 1967 to 1984, **Electronic Data Processing (EDP) Management Board** was responsible to facilitate consolidation of equipment and services.
2. 1983 to 1997, **Information Resource Commission (IRC)** for centralized policy making, coordination of executive department's IT resources, and approval of IT resources plans and purchases.
3. 1997 to 2005, **State Technology Office (STO)** supported the State Technology Council consisting of the Governor, Cabinet, agency heads, and private sector representatives to develop the statewide vision and policies for IT resources management.
4. 1997 to 2011, the **Technology Review Workgroup (TRW)** was established to review the agencies strategic plans and legislative budget requests that pertain to information technology resources.
5. 2007 to 2012, **Agency for Information Technology (AEIT)** to oversee policies for the design, planning, project management and recommendations of enterprise information technology services.
6. 2008 to current, the **State Data Center** system was created consisting of three Primary Data Centers (Southwood Shared Resource Center, Northwood Shared Resource Center, and the Northwest Regional Shared Resource Center). Agencies were directed in law to transfer the agency data center resources into a specific Primary Data Center by designated date.



# Comparison with other states

THE FLORIDA SENATE States 1	States 1																	States 2			States 3		States 4
	Procure or approve IT purchases	Define IT policies	Defining IT standards	Performing application development	Providing central email services	Hosting statewide portal	Providing communications (voice/data)	Supporting Desktop devices / Helpdesk	Statewide IT Strategic Planning	Providing enterprise project mgmt / oversight	Operating consolidated data center	Providing data mgmt and data sharing guidelines	Executive branch only?	Security	Broadband	Transparency Score 2	Digital States 2012 Grade 3	Sunshine Review 2013 4	Organization				
Florida (SB1762)	*	*	*	-	-	*	*	-	*	*	*	*	*	*	*	*			DST				
Florida (HB5009)	-	*	*	-	-	-	-	-	*	*	*	-	-	*	-			AST					
Florida	-	*	-	-	-	-	-	-	*	-	-	-	-	-	-	D	D-	B-	NONE				
Utah	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B+	A	B	DTS -2005				
Michigan	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B	A	B-	DTMB				
West Virginia	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	A-	A-	A-	WVOT				
Pennsylvania	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B-	A-	A-	OIT				
Texas	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	A	B	A-	TDIR				
Massachusetts	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	A-	B	A+	ITD				
Indiana	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	A-	B+	A-	IOT				
Georgia	*/o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	C+	B	B	GTA				
Delaware	!	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B-	B-	A-	DTI				
Illinois	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B-	B-	A-	BCCS				
North Carolina	!	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B+	B-	B	OITS				
Oregon	!	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B+	B-	B	ETS				
California	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	D-	A-	A+	OCIO - 2007				
Virginia	*/o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B-	B+	B	VITA				
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Arkansas	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	F	B+	B	DIS - 1977				
Kentucky	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	A	B+	C-	COTS				
Nebraska	*/o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B	B+	C-	NITC				
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Kansas	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	C-	C+	C					
DATA SOURCES													KEY										
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# Types of IT Governance Structures

## Centralized Model

### Pros

- Leverage economies of scale
- Provide for Enterprise Planning
- Enterprise investment monitoring
- Consolidated procurement
- Standardize IT platforms
- Reduce IT disciplines

### Cons

- Oversight and delays of IT decisions
- Interference from central IT organization
- Limiting ability to address unique requirements
- Radical culture change

## Hybrid / Federated Model

### Pros

- Leverage some economies of scale
- Provide for Enterprise Planning
- Enterprise investment monitoring
- Recognize and leverage IT commodity services
- Foster IT alignment and collaboration
- Gradual culture change

### Cons

- Defining the line of demarcation
- Constant redefinition of IT services
- Strong ongoing sponsorship

## Distributed Model

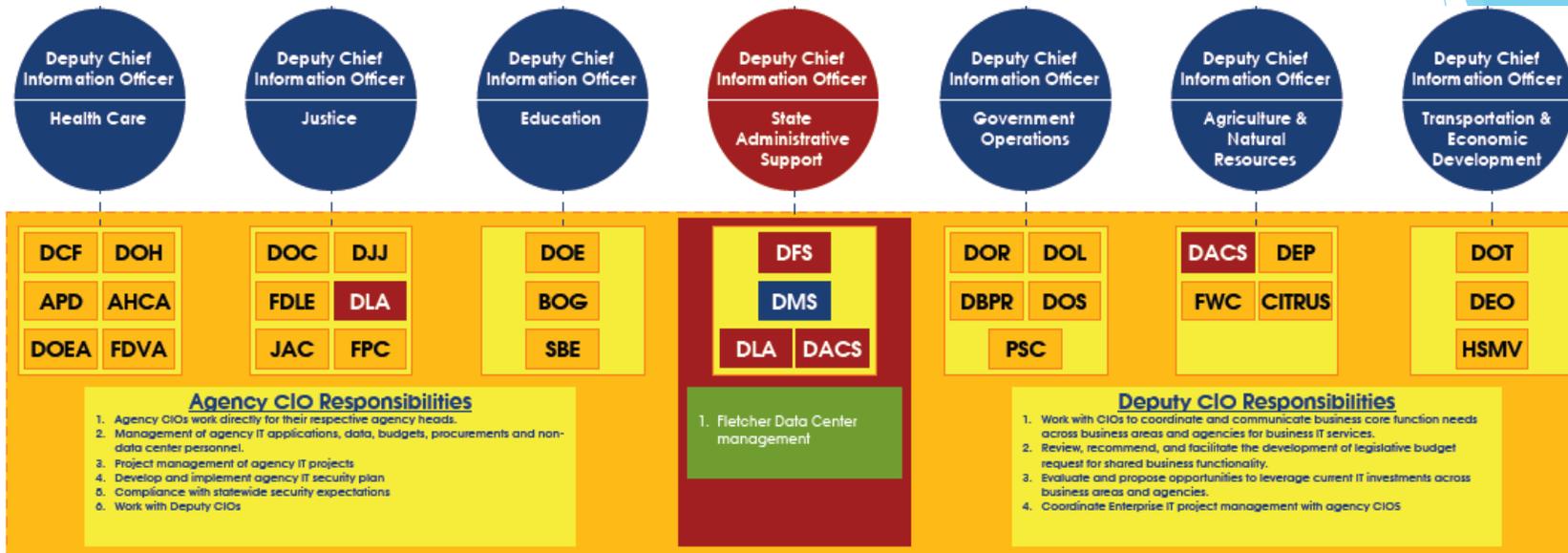
### Pros

- Flexibility to make IT decisions
- Rapid response to IT needs
- Procure specific IT solution

### Cons

- Duplicative IT investments
- Limited to no enterprise planning
- Numerous IT disciplines
- Limited visibility in overall IT investment
- Distributed procurement
- Fragmented IT management

# SB1762 - IT Governance Vision



# Lack of IT Governance - Impacts

## Lack of Statewide Information Technology Direction, Communication and Coordination

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Lack of Technical Standards

Selection and procurement of diverse Infrastructure platforms and application solutions

Ongoing need to maintain diverse technical skills

Lack of coordinated IT purchasing

Duplication of technical solutions and services developed and deployed

Inability to consolidate and leverage investments

Isolated IT project activities

Isolated IT project development and implementations

Missed opportunities to consolidate requirements to "Build or Buy once, Deploy many"

Lack of IT Strategic Planning

Ineffective or unable to recognize and take advantage of advances in technology

Reactive and isolated response to technology opportunities

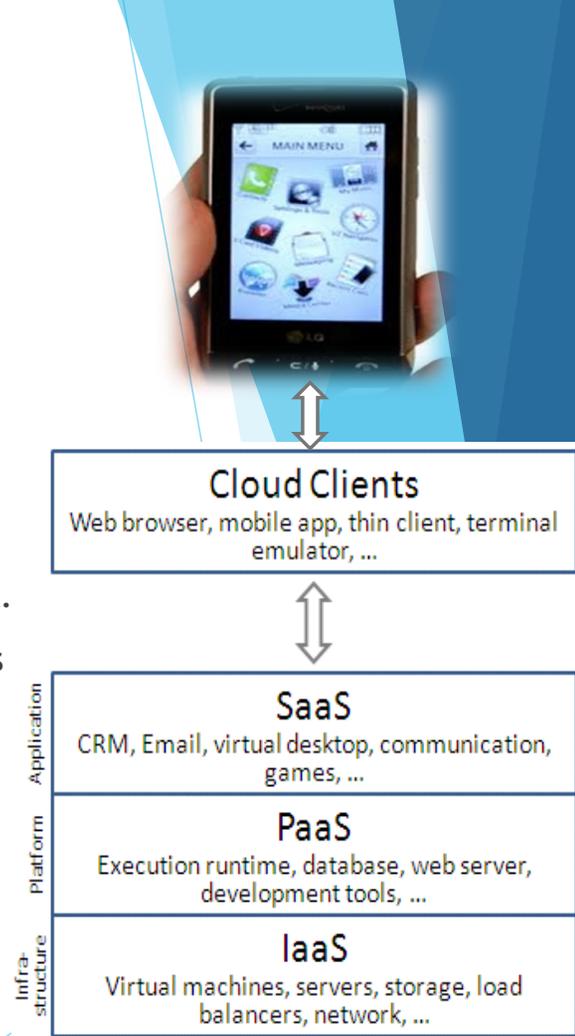
Lack of Security Policy Oversight

Inconsistent implementation of security measures

Risk of security breaches and service outages

# Technology Opportunities

- ▶ “CLOUD” is a term, at the simplest level, meaning to access through the internet.
- ▶ Cloud options currently under consideration and, in some cases, implemented by Agencies:
  - ▶ 1 - Department of Health, as part of the Medical Quality Assurance system technology upgrade of their Iron Data LicenseEase application, has received quotes from a cloud hosting vendor, Immix. Same application utilized by DBPR.
  - ▶ 2- Department of Revenue, as part of the Business One Stop development, has contracted with a vendor for the development and deployment on the cloud platform, Salesforce.com. DEO also utilizes the Salesforce.com platform.
  - ▶ 3- Nine agencies have procured Email/Office/Sharepoint cloud services, specifically MS Office 365.
  - ▶ 4 - Agency for Persons with Disabilities is considering opportunities to provide Electronic Visit Verification services with a cloud based solution.
  - ▶ 5 - The Department of Transportation has engaged in cloud based service to support email archiving with the Microsoft Enterprise Vault solution.



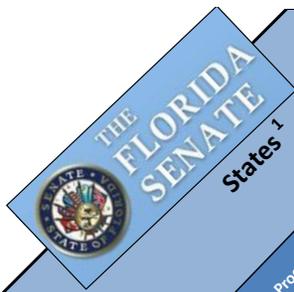
# Financial Considerations

- ▶ In 2007, the Pew Charitable Trust estimated Florida's IT spend at \$2.14 billion per year.
- ▶ Specific technology was funded in FY 12-13 budget \$847.9 mill
- ▶ State Data Center services budget in the Primary Data Centers \$68.3 mill
- ▶ Purchases off state term contracts by agencies on 149 State term IT contracts total \$292 million for FY 12-13.
- ▶ Examples of IT contractual obligations by Vendor
  - ▶ Deloitte - Services for system support and new development \$281 mill
  - ▶ Accenture - Services for system support and new development \$193 mill
  - ▶ IBM - Hardware and services for system support and new development \$42 mill
  - ▶ Infinity - Services for business process reengineering, system support and new development \$24 mill
  - ▶ Xerox - Hardware, software, services \$265 mill



# Why IT governance

- 1) The need for enterprise security planning, communication and coordination.
- 2) Opportunities to recognize savings through leveraged technology procurement and implementation.
- 3) Better customer services through the efficient use of technology.



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Utah	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B+	A	B	DTS - 2005
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Massachusetts	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	A-	B	A+	ITD
Indiana	o	*	*	*	*	*	*	*	*	*	*	*	*	*	*	B+	A-	A-	IOT
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New Hampshire	!	*	*	*	*	*	*	*	*	*	*	*	*	*	*	D-	C	B-	DoIT
Alaska	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	D-	C	B-	
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Arizona	!	*	*	*	*	*	*	*	*	*	*	*	*	*	*	A-	C	C	ASET - 2011
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Center for Digital Government - Digital States Survey Criteria

About The Digital States Survey, conducted biannually in even years, is a comprehensive study that examines best practices, policies and progress made by state governments in their use of digital technologies to better serve their citizens and streamline operations.

A Trending sharply up. Demonstrated results across all categories. Modernization used to realize operational efficiencies and strategic priorities under nimble leaders. Evidence of meaningful collaboration. Performance measures and metrics widely adopted. Cuts tend to be made strategically.

B Trending up. Demonstrated results in many categories. Leadership using modernization to change entrenched practices to prepare for more sustainable operations. Incentives for collaboration in place. Measures used in key areas. Cuts tend to be made across the board.

C Trending stable. Demonstrated results in some categories. Modernization used to realize operational efficiencies. Includes those states that had launched reforms but where results had not been fully harvested. Organizational constraints limit collaboration. Measures uneven. Cuts constrained progress.

D Trending down. Results in at least one category. Modernization tended to be siloed and limited. Little evidence of collaboration. Few measures. Cuts threaten operational viability.

F Trending sharply down. Inertia considerable. Negligible results. Aging systems destabilizing operations and increasing costs. No evidence of collaboration. No measures in place. Cuts cited for stopping any progress

# Recommendations on IT Governance

ROBERT WEISSERT, ESQ.

CHIEF RESEARCH OFFICER & GENERAL COUNSEL  
FLORIDA TAXWATCH

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INDEPENDENT

NONPARTISAN

NONPROFIT

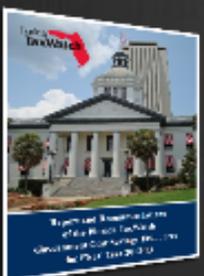
TAXPAYER RESEARCH INSTITUTE

& GOVERNMENT WATCHDOG

**What is Florida TaxWatch?**

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Improving taxpayer value, citizen understanding, and government accountability



# TaxWatch History on IT

In 2007, Florida ranked third overall in IT spending nationally

The Center for Digital Government ranked Florida **49<sup>th</sup>**

- 2012 ranking metric: “best practices, policies and progress made by state governments in their use of digital technologies to better serve their citizens and streamline operations.”

# Florida's IT Facts

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- Florida needs enterprise-wide IT policies and procedures
- Florida should use data analytics to generate efficiencies

# Defining the Problem

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- The goal should be to create value for taxpayers by reducing costs and improving services by:
  - Implementing uniform IT policies and procedures that ensure enterprise-wide, inter-agency operability
  - Developing data-driven solutions

# Defining Success

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Create an IT Governance structure with the responsibility & authority to set and enforce uniform IT policies and drive enterprise-wide IT solutions.

- Keep agency CIOs empowered but accountable to a single decision-making entity

Leverage enterprise-wide data

- Use technology and data analytics to drive solutions in government that maximize taxpayer value

# TaxWatch Recommendation

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Robert E. Weissert

Chief Research Officer, Florida TaxWatch

Office - 850.222.5052

[www.floridataxwatch.org](http://www.floridataxwatch.org)

**Thank You**

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# BRIEFING



## Legislature has the Chance to Finally Get Information Technology Governance Right

April 2013

The governance of an organization's information technology (IT) is critical to its effective and cost-efficient operation. The private sector recognized this long ago, and government has started to follow suit, with a focus on centralization of governance. Florida has recognized it too, but its attempts to set up an effective IT governance system have largely been unsuccessful.

Because of the need for so much information to be available to the public, IT plays an even bigger role in government. This is heightened in Florida due to our Sunshine laws. Not only does this create fiscal and policy challenges for Florida, but also raises concerns about the privacy and security of personal data.

Information technology governance can ensure that expectations for IT are met, performance is measured, resources are managed and risks are mitigated. In government, IT governance can also help ensure taxpayer dollars are spent in a way that maximizes their return of investment.

And taxpayers pay a considerable amount for IT in Florida, but because the system is so disjointed, the total amount of taxpayer dollars spent on public technology is largely unknown. Even as far back as 2005, expenditures were estimated to exceed \$2 billion annually.<sup>1</sup> The 2012-13 state budget includes nearly \$850 million in funding for specific IT projects.

Florida's information technology (IT) and business process governance is decentralized, including the management of everything from help desks, email, and data centers to software installation, hardware replacements and repairs. This fragmented system leads to the inefficient use of millions of taxpayer dollars annually. Furthermore, several reviews of IT governance in other states indicate Florida is one of the few major states without a

<sup>1</sup> The Florida Senate, "Staff Analysis for CS/SB 1494. Information Technology Management," March 22, 2005.

### POLICY STATEMENT

A centralized agency with sufficient authority to set and implement enterprise-wide information technology is long overdue. Florida TaxWatch commends the Senate and the House for understanding the importance of technology governance and encourages the Legislature to establish a centralized State agency responsible for IT and business processes, with the necessary authority, as recommended by the Florida TaxWatch Government Cost Savings Task Force.

State Chief Information Officer (or similar position).<sup>2</sup> The Center for Digital Government conducts a biennial survey that grades states on “best practices, policies and progress made by state governments in their use of digital technologies to better serve their citizens and streamline operations.” In its recent survey, Florida shared the lowest grade in the nation — “D” — with one other state<sup>3</sup>.

In 2006, the Florida House of Representatives issued a report on IT governance, citing the lack of a clear vision for IT and concluding that the absence of an enterprise governance framework limited the state’s ability to provide comprehensive technology solutions.<sup>4</sup>

In 2007, the Florida Senate issued a similar report, which found that “Florida exhibits all of the symptoms of ineffective enterprise IT governance.”<sup>5</sup>

- IT projects often run late and over budget
- Senior management cannot explain IT governance
- Senior management senses low value from IT investments
- Senior management sees outsourcing as a quick fix to IT problems
- Governance changes frequently
- IT is often a barrier to implementing new strategies
- Mechanisms to make IT decisions are slow or contradictory.

Many state IT projects have experienced cost overruns and have frequently fallen behind schedule. Additionally, lack of planning, contract management, and accurate assessment of IT capabilities have resulted in suspension of projects and led to substantial changes in direction and scope during development and implementation.

## Florida has Tried Before

In the last 16 years, Florida has had five different IT governance structures. There were two major attempts to move to a centralized approach through the creation of an IT agency, but both were ultimately unsuccessful. The first attempt was in 2001, when the Legislature created the State Technology Office (STO) with the goal of providing enterprise-wide oversight.

The reluctance of agencies to accept a central authority hampered its implementation. In 2005, the Legislature passed a bill to eliminate the agency and transfer responsibilities to the Department of

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<sup>2</sup> Center for Technology in State Government. “Enterprise IT Governance in State Government. State Profiles.” 2009. Note: This policy brief includes a comparative overview of the IT governance of 13 states. Each state’s IT governance includes a position for a State IT Official. Florida is now without such a position due to the decommissioning of AEIT. See also: Committee on Governmental Operations. “Enterprise Information Technology Senate Review and Study. Report No. 2007-140. Prepared for the Florida Senate.” January 2007. Note: In 2007, the Committee on Government Operations reviewed literature on IT governance in other states. The study indicated that the majority of states have some form of IT governing board and/or a State Chief Information Officer.

<sup>3</sup> House Appropriations Committee presentation, March 28, 2013.

<sup>4</sup> The Florida House of Representatives State Infrastructure Council/Spaceport and Technology Committee, “Information Technology Management in Florida”, January 2006.

<sup>5</sup> Senate Committee on Governmental Operations, “Enterprise Information Technology Senate Review and Study. Report No. 2007-140, January 2007.

Management Services. Governor Jeb Bush vetoed the bill, effectively deleting the STO's funding. In 2007, the Legislature tried again, creating the Florida Agency for Enterprise Information Technology (AEIT). The AEIT was ineffective because it was not given the legislative authority to enforce its policies across state agencies. In 2011, Governor Rick Scott vetoed a bill that would have abolished the AEIT and made a new IT agency because the new agency's scope was too limited. Again, the AEIT was not funded, effectively decommissioning it.

The state is still without an entity that is in charge of IT strategy and business process implementation on an enterprise-wide basis.

The 2013-14 Florida TaxWatch Government Cost Savings Task Force recommended the establishment of a centralized state agency responsible for IT and business processes.<sup>6</sup> The Task Force found that a centralized IT agency policy and implementation authority would produce taxpayer cost savings while improving services to citizens by standardizing processes across all agencies (therefore removing duplications), increasing accountability, and allowing for better purchasing through economies of scale.

The 2013 Legislature is considering a bill to create a centralized IT governance structure. SB 1762, sponsored by Sen. Jeremy Ring, creates a Department of State Technology (DST) as an executive agency under the Governor. DST would have broad authority to set and implement technology policy and to manage IT services and procurements. The DST Secretary — appointed by the Governor — would be the state's Chief Information Officer (CIO). The bill also creates a Technology Advisory Council to make recommendations to DST.

The bill lays out a lengthy list of powers and duties of the new agency. DST would design, plan, develop, implement, and manage state enterprise IT and biennially develop a long-range plan for state IT resources. Beginning January 1, 2018, DST must review and approve all IT purchases by state agencies.

The House also has a plan, currently in the form of a proposed committee bill. The House legislation would also create a new agency (the Agency for State Technology), but its powers and duties would be more limited.

## Recommendation

A centralized agency with sufficient authority to set and implement enterprise-wide information technology is long overdue. Florida TaxWatch commends the Senate and the House for understanding the importance of technology governance and encourages the Legislature to establish a centralized State agency responsible for IT and business processes as recommended by the Florida TaxWatch Government Cost Savings Task Force. The new agency should have the broad authority to set and implement technology policy and to manage enterprise-wide IT services and procurements.

<sup>6</sup> Florida TaxWatch, "Report and Recommendations of the Florida TaxWatch Government Cost Savings Task Force for FY2013-14," January 2013.

## ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible memberships and private grants, and does not accept government funding. Memberships provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves for the last 33 years.

## FLORIDA TAXWATCH RESEARCH LEADERSHIP

Dominic M. Calabro	President & CEO
Robert E. Weissert, Esq.	Vice President for Research & General Counsel
Kurt Wenner	Vice President for Tax Research
Jerry D. Parrish, Ph.D.	Chief Economist
Steve Evans	Senior Advisor

## RESEARCH TEAM FOR THIS *BRIEFING*

This Florida TaxWatch *Briefing* done under the direction of: Dominic M. Calabro, President, CEO & Publisher; Robert E. Weissert, VP for Research & General Counsel; and Kurt Wenner, VP for Tax Research.

Kurt Wenner	Author
Chris Barry	Layout, Graphics, Publication

## FOR MORE INFORMATION: [WWW.FLORIDATAXWATCH.ORG](http://WWW.FLORIDATAXWATCH.ORG)

The findings in this *Briefing* are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, or Board of Trustees; and are not influenced by the individuals or organizations who may have sponsored the research.

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15-3-

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10.9.13

Meeting Date

Topic IT Governance

Bill Number \_\_\_\_\_ (if applicable)

Name Robert Weissert ("why-cert")

Amendment Barcode \_\_\_\_\_ (if applicable)

Job Title Chief Research officer

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City State Zip

E-mail robert@floridatechwatch.org

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Representing \_\_\_\_\_

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/9/13  
Meeting Date

Topic Information Technology

Bill Number NA  
*(if applicable)*

Name Frank Meiners

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

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Phone 850 591-0177

Tallah FL 32302  
City State Zip

E-mail frank@chymail.com

Speaking:  For  Against  Information

Representing Associated Ind. of FL

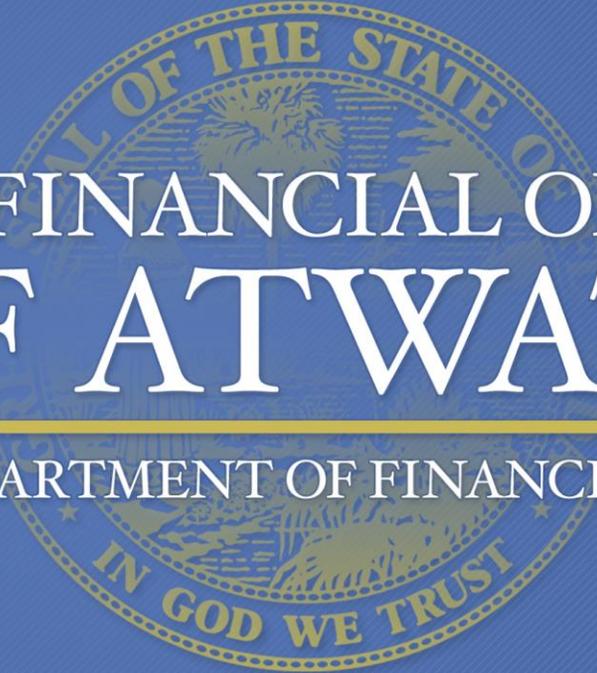
Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

**Overview of the Chart of Accounts Project**

**Senate Governmental Oversight and Accountability  
Committee**

**October 9, 2013**

# What is a Chart of Accounts?

- It is a list of accounts that are used to define and classify financial transactions
- There are 6 classifications of accounts:
  - Assets
  - Liabilities
  - Equity
  - Revenue
  - Expenditures
  - Other Source & Uses aka “contra accounts”

# Current Situation

- State Agencies
  - Section 215.93, F.S. authorizes the CFO to establish a uniform chart of accounts for use by FFMIS
- Local Governments
  - Section 218.33(2), F.S., requires each local governmental entity to follow uniform accounting practices and procedures per DFS rules
- Educational Entities (Section 1010.01, F.S.)
  - The financial records and accounts of each school district, and community college to be prepared and maintained as prescribed by law and rules of the **State Board of Education**
  - The financial records and accounts of each state university must be prepared and maintained as prescribed by law and rules of the **Board of Governors**
  - Each school district must account for expenditures in accordance with the manual developed by the **Department of Education**

# Statutory Requirements

SB 1292 was introduced by Senator Alexander during the 2011 Legislative Session

The law requires DFS to propose a Draft Uniform Chart of Accounts (COA) for uniform reporting by all units of government

The statutory timeline to be followed is as follows:

- **July 1, 2013** – Publish the Draft COA
- **November 1, 2013** – Comments on COA are due from reporting entities
- **January 15, 2014** – Submit recommended COA and estimated costs of adopting and implementing to Governor and Legislature

# Reporting Entities

Reporting entities effected by the provision in 215.89 F.S. are:

- **State Agencies**
- **Local Governments**
  - Cities
  - Counties
  - Water Management Districts
  - Municipalities
  - Special Districts
- **Educational Entities**
  - School Districts
  - State Universities
  - State Colleges

# Activities To Date

- Established Project website:  
<http://www.myfloridacfo.com/aadir/COA/>
- Project concept and timelines presented to Cities, Counties, Universities, and Colleges
- Reviewed Comprehensive Annual Financial Reports (CAFR) and audit reports of reporting entities
- Met with Legislative, DEO, DOE, and Auditor General staff
- Established an Advisory Workgroup. Workgroup reviewed recommended COA and provided feedback on challenges for implementation and the differences across the reporting entities

# Activities To Date

- Awarded contract to KPMG to collect, validate, and summarize cost estimates
- Developed a crosswalk of current to proposed COA to assist reporting entities
- Distributed over 2,300 emails/letters to reporting entities regarding upcoming survey
- Developed material for webinars to educate reporting entities on the cost estimate process
- Launched cost estimate survey on September 16<sup>th</sup>
- Conducted 3 webinars that included live Q&A Sessions

# Draft Uniform Chart of Accounts

Reporting requirements are divided into two components

- **Assets, Liabilities, and Equity** – **reported annually** at a level that can be validated with Financial Statements
- **Revenue and Expenditures** – **reported monthly** at a lower level of detail in order to provide transparency to the public on funds received and expended by each reporting entity (aka “check book” reporting). There is no intent to reconcile monthly information with financial statements

# Reporting Challenges

- Effort required to report revenue and expenditures monthly. Today many counties accumulate financial information on an annual basis. To report monthly, each constitutional officer may need to report from their individual accounting systems
- Ability to report information at a lower level in the organization
- Reliance on direct support organizations and component units to provide their own financial reporting by the due dates

# Final Report

CFO's final report will be provided to the Speaker, President, and Governor by January 15, 2014. The report will include:

- Listing of proposed Uniform Chart of Accounts with definitions
- Recommendations for the reporting requirements
- Summary of the cost impacts collected from the reporting entities
- Draft legislation for the implementation of recommendations

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/9/13

Meeting Date

Topic Chart of Accounts

Bill Number \_\_\_\_\_  
*(if applicable)*

Name Christina Smith

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

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Representing Dept. of Fin. Services

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

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S-001 (10/20/11)



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:  
Appropriations, *Vice Chair*  
Appropriations Subcommittee on Education  
Appropriations Subcommittee on Health  
and Human Services  
Banking and Insurance  
Education  
Ethics and Elections  
Gaming  
Governmental Oversight and Accountability  
Rules

### SENATOR LIZBETH BENACQUISTO

*Majority Leader*  
30th District

October 9, 2013

The Honorable Jeremy Ring, Chair  
Senate Governmental Oversight  
405 Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

RECEIVED

OCT 09 2013

GOVERNMENTAL OPERATIONS

Dear Chairman Ring,

Please excuse me from attending the Senate Governmental Oversight and Accountability Committee on October 9th. I have a commitment at that time. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Lizbeth Benacquisto".

Lizbeth Benacquisto  
Senate District 30

REPLY TO:

- 1926 Victoria Ave, 2nd Floor, Fort Myers, Florida 33901 (239) 338-2570
- 330 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5030

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

DON GAETZ  
President of the Senate

GARRETT RICHTER  
President Pro Tempore

# CourtSmart Tag Report

Room: KN 412

Case:

Type:

Caption: Governmental Oversight and Accountability Committee 4:00 PM

Judge:

Started: 10/9/2013 4:02:36 PM

Ends: 10/9/2013 5:05:45 PM

Length: 01:03:10

**4:02:41 PM** Meeting called to order  
**4:02:56 PM** Senator Ring opening remarks  
**4:05:25 PM** Susan Wilson, Chief Legislative Analyst, Senate Appropriations Committee, presentation on Florida's Governance of Information Technology  
**4:15:00 PM** Senator Ring comment asking presenter to reiterate that we are the worst in the country  
**4:22:00 PM** Senator Ring from a security standpoint, are we just a ticking time bomb  
**4:22:44 PM** Senator Ring, data is at extreme risk  
**4:22:58 PM** Senator Hays question to presenter  
**4:24:10 PM** Senator Hays, pricetag for Floridians  
**4:24:26 PM** Senator Ring comment on pricetag  
**4:24:40 PM** Senator Hays, how would you classify our security today  
**4:26:07 PM** Susan Wilson, presentation continues  
**4:29:19 PM** Senator Hays question regarding several years ago about a software package never delivered; how can we minimize likelihood of that happening again  
**4:31:17 PM** Senator Hays questions regarding interagency  
**4:33:17 PM** Susan Wilson responds  
**4:34:48 PM** Senator Hays questions regarding money and estimate of how long it would take us to pay for the system  
**4:37:12 PM** Senator Ring comment regarding challenge of project when hard to quantify when we really don't know the numbers  
**4:38:20 PM** Robert Weissert, General Counsel of Florida Tax Watch regarding IT Governance in Florida  
**4:45:48 PM** Frank Meiners, Associated Industries of Florida, on Florida's Governance of Information Technology  
**4:51:13 PM** Senator Ring comments and questions  
**4:52:54 PM** Christina Smith, Dept. of Financial Services, on the Chart of Accounts Project  
**5:04:18 PM** Senator Hays question, would we be able to extract a guess on what it would cost  
**5:04:58 PM** Christina Smith response  
**5:05:25 PM** Senator Hays moves we rise