

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 2614

SPONSOR: Governmental Oversight and Productivity Committee and Senator Crist

SUBJECT: State Technology Office

DATE: April 22, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	Wilson	GO	Fav/CS
2.			CM	
3.			AGG	
4.			AP	
5.				
6.				

I. Summary:

The committee substitute amends provisions of law relating to the operation and duties of the State Technology Office (STO). Specifically, these amendments include:

- Addition of new terms to the definition section applicable to Part I of ch. 282, F.S., relating to state information resources management.
- Striking a requirement that the STO review the feasibility of online voting.
- Addition of requirements that the STO:
 - Deploy an enterprise technology services desk;
 - Adopt open architecture and minimum security standards;
 - Establish enterprise information technology systems, tools, and services;
 - Designate an Enterprise Business Continuity Officer;
 - Provide enterprise business continuity and disaster preparedness plans and programming; and
 - Establish an advisory team to review agency information technology legislative budget requests.
- Striking current law’s requirement that the STO “operate and manage” the Technology Resource Center, and instead, providing that the STO shall “oversee operation and management,” of the center, which is renamed by the bill as the Shared Resource Center.
- Providing that the STO’s Chief Information Officer shall be the chair of the Agency Chief Information Officer Council.
- Permitting the STO to participate in the planning of, or to provide assistance, oversight, or management for, agency information technology projects.
- Providing that the STO, rather than the Department of Management Services as specified in current law, is responsible for the development, implementation, and coordination of the statewide system of regional emergency medical telecommunications.

This bill substantially amends the following sections of the Florida Statutes: 11.45, 20.22, 110.205, 216.235, 216.292, 282.0041, 282.005, 282.102, 282.106, 282.1095, 282.111, 282.20, 282.3055, 282.315, 282.322, 365.173, 395.1031, 401.013, 401.015, 401.18, 401.021, 401.024, 401.027, and 401.245. The bill creates s. 282.323 of the Florida Statutes.

II. Present Situation:

Overview of the State Technology Office: Chapter 2000-164, L.O.F., effective July 1, 2000, created the State Technology Office (STO) within the Department of Management Services (DMS). The STO is a separate budget entity headed by a Chief Information Officer (CIO), who is appointed by the Governor and is in the Senior Management Service.¹

Chapter 282, F.S., provides the following legislative intent stating that:

- Cost-effective deployment of information technology (IT) by state agencies can best be managed by a CIO;
- The STO has primary responsibility for the planning, budgeting, acquisition, implementation, use, and management of state IT;
- State agency heads have primary responsibility for setting agency priorities, identifying business needs, and determining agency services and programs; and
- The STO, through service level agreements with each agency, shall provide the IT needed by the agency to accomplish its mission.^{2 3}

For purposes of the chapter:

- “Agencies” mean executive branch entities, state attorneys, public defenders, capital collateral regional counsels, the Justice Administrative Commission, the Florida Housing Finance Corporation, the Florida Public Service Commission, and, solely for the purposes of implementing s. 19(h), Art. III of the State Constitution, the judicial branch.
- “Information technology” means equipment, hardware, software, infrastructure, media, and related material used to electronically collect, transmit, display, analyze, control, or disseminate information of any kind.⁴

Thirty provisions set forth the STO’s powers, duties, and functions under the chapter. Briefly, these provisions include requirements to:

- Adopt best practices for agencies in acquiring, using, modifying, or disposing of IT, and perform, with agency consultation, enterprise resource planning/management for agencies;
- Advise political subdivisions as to effective methods for organizing and meeting IT requirements, and provide political subdivisions with a means to use state IT systems;

¹ Section 282.102, F.S.

² Section 282.005, F.S.

³ The stated legislative intent further provides, however, that the STO shall take no action affecting the control or management of IT and IT personnel that any cabinet officer deems necessary for the exercise of his or her duties. Section 282.005(10), F.S.

⁴ Section 282.0041(1) and (7), F.S.

- Integrate and manage state agency IT systems and services;
- Enter IT agreements with state agencies and political subdivisions;
- Utilize and acquire, with agency concurrence, IT now owned or operated by any agency;
- Procure IT, including private line services;⁵
- Obtain patents and other licenses, and allocations or channels and frequencies;
- Acquire or dispose of real, personal, and intellectual property;
- Delegate to agencies authority to procure and use all IT, including communications services;
- Acquire existing communications equipment and facilities;
- Adopt rules pursuant to ss. 120.536(1) and 120.54 relating to IT and to administer the provisions of the part.
- Acquire federal funds for any purpose of the part, and gifts and donations;
- Monitor issues relating to communications before the Florida Public Service Commission;
- Make STO property and other structures available for the placement of new facilities by wireless providers of mobile service and telecommunications companies;
- Provide an integrated electronic system for deploying government products, services, and information to individuals and businesses;
- Study the feasibility of online voting;
- Facilitate the development of a network access point in this state, as needed; and
- Designate a State Chief Privacy Officer.⁶

The chapter also requires the STO to: (a) manage the SUNCOM Network, which is the state communications system for local and long-distance communications provided to state agencies, political subdivisions, municipalities, state universities, and certain nonprofit corporations;⁷ (b) develop and maintain a statewide system of regional law enforcement communications;⁸ (c) operate and manage the Technology Resource Center, which is an information-processing facility offering hardware, software, operations, networking, and consulting services to agencies and other entities authorized to use the SUNCOM network;⁹ (d) periodically assess agency IT security risks and develop policies and procedures to assure the security of agency IT;¹⁰ and (e) report high-risk IT projects to the Governor and Legislature, and to monitor such projects within limits of current appropriations.¹¹

For purposes of enhancing communication between the STO and agencies, the chapter establishes an Agency CIO Council. The duties of the Council include requirements to: (a) share best practices for successful IT organization and application; (b) identify efficiency opportunities among agencies; and (c) make recommendations for solving enterprise resource planning and management deficiencies.^{12 13}

⁵ The STO is required to comply with the competitive solicitation requirements of ch. 287, F.S., when procuring IT. Sections 287.012(1), (5) and (15) and 287.057, F.S.

⁶ Section 282.102, F.S.

⁷ Section 282.103, F.S.

⁸ Section 282.111, F.S.

⁹ Section 282.20, F.S.

¹⁰ Section 282.318, F.S.

¹¹ Section 282.322 (9), F.S.

¹² Section 282.315, F.S.

¹³ Members of the Council must include: (a) agency CIOs; (b) a CIO selected by the state attorneys; (c) a CIO selected by the public defenders; and (d) the chairs of the Florida Financial Management Information Systems Coordinating Council, the

STO personnel and cost recovery: Chapter 2001-261, L.O.F., effective July 1, 2001, created unnumbered laws that provided for a more uniform approach to state IT management. This legislation specified that each state agency that had entered into an agreement by March 15, 2001, with the STO regarding consolidation of IT resources and staff was required to:

- Transfer IT positions identified in the agreement and related appropriations to the STO on October 1, 2001.¹⁴ Such transfers were limited to 1,760 positions and were subject to Legislative Budget Commission (LBC) approval.
- Transfer administrative support personnel positions and related appropriations to the STO on July 15, 2001. Such transfers were limited to no more than five percent of the total number of IT positions transferred pursuant to the agreement and were subject to LBC approval.

Further, the legislation provided that the STO may charge back to each participating agency an amount equal to the total of all direct and indirect costs of administering and performing the agreement between the STO and agency.

Technology Review Workgroup: In 1997, the Legislature created the Technology Review Workgroup.¹⁵ Statute currently requires this workgroup and the STO to independently review agency legislative budget requests (LBRs) for IT and related resources, and to make recommendations regarding these requests.¹⁶ The workgroup is to report its recommendations to the Legislative Budget Commission and the STO is to report its recommendations to the Governor and to the chairs of the legislative appropriation committees.

Statewide system of regional emergency medical telecommunications: Part I of ch. 401, F.S., provides for a statewide system of regional emergency medical telecommunications. The stated Legislative for the system is that such be developed whereby maximum use of existing radio channels is achieved in order to more effectively and rapidly provide emergency medical service to the general population.¹⁷ The DMS is charged with the responsibility to develop and implement the system.¹⁸

III. Effect of Proposed Changes:

Section 1. Amends s. 20.22, F.S., to change the name of the “Technology Resource Center” that is required to be operated and managed by the STO pursuant to s. 282.20, F.S., to the “Shared Resource Center.”

Section 2. Amends s. 282.0041, F.S., which sets forth definitions for Part I of ch. 282, F.S. The bill creates the following new terms and definitions:

Criminal and Juvenile Justice Information Systems Council, and the Health Information Systems Council.

Section 282.315(2), F.S.

¹⁴ Entities which had entered such agreements by the specified time were the Governor’s agencies, other than the Agency for Workforce Innovation. *See* Auditor General Report No. 02-064, October 2001.

¹⁵ *See* ch. 97-286, L.O.F.

¹⁶ Section 216.0446, F.S.

¹⁷ Section 401.013, F.S.

¹⁸ Section 401.015, F.S.

- “Enterprise” means an organization in total, including all subordinate entities, encompassing governmental bodies as well as nonprofit organizations eligible for services as defined in ch. 282, F.S.
- “Enterprise cost recovery” means the practice of recovering the costs associated with providing IT and telecommunications services.
- “Enterprise program management office” means the office within the STO that is responsible for management or oversight of major IT projects.
- “Enterprise technology services desk” means a solution that provides IT services support to all entities within an enterprise and that facilitates enterprise data security monitoring and alerts, reporting, network and performance monitoring, asset management, change management, and technology systems capacity and configuration resulting in effective sharing of resources and information across the enterprise.
- “Portal” means a single point of entry to state information, services, and websites on the Internet.
- “Service level agreement” means a baseline of expectations and the roles and responsibilities for IT services that include specified provisions.
- “State Chief Information Officer” means the Governor’s appointee identified in s. 282.102, F.S.

Section 3. Amends s. 282.005, F.S., to make conforming changes.

Section 4. Amends s. 282.102, F.S., which specifies the STO’s powers, duties, and functions. In addition to making conforming changes, reorganizing the section for the purpose of consolidating provisions with similar subject matter, and making technical grammatical changes, the bill:

- Strikes the term “best practices” in subsection (2) that requires the STO to adopt policies and procedures for best practices to be followed by agencies in acquiring, using, upgrading, modifying, replacing or disposing of it.
- Creates a new subsection (3) to direct the STO to establish open architecture standards for state IT infrastructure.
- Creates a new subsection (4) to direct the STO to establish minimum IT security standards and best practices to be used by agencies and to conduct or coordinate IT security audits of agencies to the extent possible within appropriated resources.
- Creates a new subsection (5) to direct the STO to provide enterprise business continuity and disaster preparedness planning services, which may include: conducting risk assessments of, participating in the development of, or overseeing or managing, aspects of agency disaster preparedness plans relating to IT; coordinating business continuity mock training exercises; and providing IT disaster preparedness training.
- Creates a new subsection (6) to direct the STO to develop policies and procedures for agency IT LBRs and to establish an IT advisory review team to review and make recommendations regarding the LBRs. The recommendations are to be provided to the Governor and chairs of the legislative appropriations committees.
- Creates a new subsection (7) to direct the STO to develop and own or sponsor enterprise IT systems, tools, and services that meet standards established by the office.

- Creates a new subsection (8) to direct the STO to deploy an enterprise technology services desk.
- Creates a new subsection (10) to direct the STO to develop and operate an enterprise portal to provide tools and services for agency enterprise portal utilization that ensure compliance with enterprise portal standards established by the STO.
- Creates a new subsection (12) to permit the STO to participate in the planning of, and to provide project assistance, oversight, or management for, agency IT projects when determined appropriate by the State CIO and to the extent possible within appropriated resources.
- Moves the content of existing subsection (4) to subsections (12) and (23).
- Moves existing subsection (16), regarding rulemaking, to subsection (34).
- Moves the content of existing subsection (27) to subsection (1).
- Strikes subsection (28) that requires the STO to study and make a recommendation regarding the feasibility of online voting.
- Moves existing subsection (29) to subsection (9).

Section 5. Amends s. 282.106, F.S., to provide that libraries shall pay installation costs and recurring costs according to the STO's published rates for SUNCOM Network services. This same requirement is statutorily specified for municipalities¹⁹ and the STO reports that this is merely a statutory clarification of the libraries' current practices.

Sections 6 and 7. Amends ss. 282.1095 and 282.111, F.S., to make conforming changes.

Section 8. Amends s. 282.20, F.S., which provides for the Technology Resource Center. The bill changes the center's name to the "Shared Resource Center," and further specifies that the STO shall "oversee operation and management" of the center, rather than current law's requirement that the STO "operate and manage" the center.

Section 9. Amends s. 282.3055, F.S., to make conforming changes.

Section 10. Amends s. 282.315, F.S., which provides for the Agency CIOs Council. The bill specifies that the State CIO or a designee shall be the chair of the council. Current law does not specify who the council chair should be. Further, the bill adds a requirement that each agency chief information officer focus on procuring IT resources that can be used across the enterprise.

Section 11. Amends s. 282.322, F.S., which relates to special monitoring of information resources management projects when required by the General Appropriations Act. In addition to making conforming changes, the bill creates a new subsection (3) that requires the Enterprise Program Management Office within the STO to: (a) plan, design, develop, and implement key enterprise projects as determined by the State CIO; (b) be involved in the planning stages of agency IT projects to ensure a comprehensive approach to technology solutions; and (c) develop enterprise integration guidelines and promulgate project management standards.

¹⁹ Section 282.104, F.S.

Current law provides that the STO has the primary responsibility to plan, budget, acquire, implement, use, and manage state IT,²⁰ and has the powers, duties, and functions to: (a) adopt best practices to be followed by agencies in acquiring, using, modifying, or disposing of IT;²¹ (b) integrate agency IT systems and services;²² and (c) perform, with agency consultation, enterprise resource planning and management for the agency.²³ It appears, when reading these provisions together, that the STO has authority to guide or manage all aspects of agency IT decisions, notwithstanding whether the decision has an enterprise-level impact; however, to the extent that there is any question about this authority, the bill's amendments conclusively provide this authority to the STO.

Section 12. Creates s. 282.323, F.S., to require agency disaster preparedness plans to be submitted to the STO by July 15, 2003, and to require the STO to consolidate these plans into a single enterprise business continuity and disaster preparedness plan by September 30, 2003. The bill also requires the State CIO to designate an Enterprise Business Continuity Officer to administer the enterprise plan and to annually administer a minimum of two business continuity disaster preparedness mock training exercises in the state, at least one which must be an unscheduled, random exercise.

Section 13. Amends s. 11.45, F.S., relating to the duties of the Auditor General, to strike current law's requirement that the Auditor General conduct an annual audit of the Wireless Emergency Telephone System Fund. This amendment implements the Auditor General's recommendation in Report No. 03-085 that this audit requirement be stricken as this fund is routinely considered for review pursuant to: (a) s. 11.45(2)(f), F.S., which requires operational audits of state agency accounts and records at least every two years; and (b) s. 11.45(2)(b), F.S., which requires an annual financial audit of state government.

Section 14. Repeals s. 365.173(3), F.S., to strike current law's requirement that the Auditor General conduct an annual audit of the Wireless Emergency Telephone System Fund.

Sections 15 and 16. Amend ss. 110.205 and 216.235, F.S., to make conforming changes.

Section 17. Amends s. 216.292, F.S., which currently requires agencies and the judicial branch to pay funds appropriated in the General Appropriations Act for services provided by the state communications system within the DMS within 45 days after the billing date. Under the bill, reference to the state communications system within the DMS is removed; instead, the bill provides that agencies and the judicial branch must pay funds appropriated in the General Appropriations Act for services provided by the State Technology Office within 45 days after the billing date.

Sections 18 through 25. Amends ss. 395.1031, 401.013, 401.015, 401.18, 401.021, 401.024, 401.027, and 401.245, F.S., to provide that the STO, rather than the DMS, is responsible for the development, implementation, and coordination of the statewide system of regional emergency medical telecommunications.

²⁰ Section 282.005(5), F.S.

²¹ Section 282.102(2), F.S.

²² Section 282.102(5) – (7), F.S.

²³ Section 282.102(3), F.S.

Section 26. Provides that the bill takes effect on July 1, 2003.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may result in IT vendors having a clearer sense of the STO's role in non-enterprise, agency IT procurements to the extent that the STO affirmatively exercises the clear authority provided by the bill for the STO to participate in the planning, oversight, or management of agency IT projects.

C. Government Sector Impact:

The STO indicates that it will incur a cost of approximately \$3.5 million in FY 2003-2004 to implement the Enterprise Technology Service Desk provided for by this bill; however, the STO represents that this future expenditure is an estimated \$1.9 million less than the approximate \$5.4 million currently expended for the provision of help desk services by agencies. The STO, DMS, and Department of Elder Affairs use the Enterprise Technology Service Desk currently operated by the STO. The STO indicates that an additional three state agencies will begin using the desk before the end of FY 2002-2003, and that an additional ten state agencies will begin using the desk before the end of FY 2003-2004.

The STO indicates that it will incur a cost of approximately \$3.9 million in FY 2003-2004 to implement the enterprise portal development provided for by this bill; however, the STO represents that this future expenditure is an estimated \$1.4 million less than the approximate \$5.3 million currently expended by the state agencies for websites.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The State Technology Office is completing its third year of existence in as many forms of organizational configuration. Its execution of prior responsibilities has not occurred without delay, distraction, or criticism. Its business plan for the next few years defines a mission in terms of outsourcing its operations and managing the accumulated infrastructure through contractual agreements. Use of the terms “oversee”, “consolidate”, and the like, substitutes for the direct ownership and operation of computing resources by individual state agencies and their employees. As noted above, there are significant economies realizable from the consolidation of central services. There are significant risks as well in the same transfer of proprietary functions to contract vendors.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill’s sponsor or the Florida Senate.
