

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 Fiscal Policy and Calendar Committee

BILL: PCS/SB 1892

INTRODUCER: General Government Appropriations Committee and Senator Carlton

SUBJECT: Information Technology

DATE: March 31, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hawkins	DeLoach	GA	Pre-meeting
2.				
3.				
4.				
5.				
6.				

I. Summary:

The bill creates the state data center system, which is composed of primary data centers, nonprimary data centers and computing facilities. The Agency for Enterprise Information Technology is made responsible for establishing policy and for overall coordination in the transition to a consolidated system. Two primary data centers, the Northwood Shared Resource Center and the Southwood Shared Resource Center are established in the bill. The bill authorizes the creation of boards of trustees for each primary data center. Members of these boards are appointed by the agency head or chief executive officer of the customer entities using the primary data centers. With two exceptions, the bill prohibits agencies from: creating new computing facilities or data centers or expanding existing computing facilities or data centers; transferring existing computing services to with a nonprimary data center or computing facility; initiating new computing services with a nonprimary data center if the agency doesn't have an internal data center; or terminating services with a primary data center or transferring services between primary data centers without written notice 180 days before such termination. The bill transfers all data center functions by state agencies with resources and equipment located in a primary data center created by the act to that primary data center and requires the agency to become a full-service customer entity by July 1, 2009.

The bill also transfers information technology functions of the Parole Commission to the Department of Law Enforcement. Also, mainframe computing services of the Department of Transportation and Department of Highway Safety and Motor Vehicles are transferred to the Southwood Shared Resource Center.

The bill makes numerous reference changes from the former State Technology Office, which was abolished, to the Agency for Enterprise Information Technology.

This bill amends the following sections of the Florida Statutes: 14.204, 20.315, 215.322, 216.235, 282.003, 282.0041, 282.0055, 282.0056, 282.322, 287.057, 445.011, 445.045, and 668.50.

This bill creates the following sections of the Florida Statutes: 282.201, 282.203, 282.204, and 282.205.

This bill repeals s. 282.20 of the Florida Statutes.

II. Present Situation:

Section 14.204, F.S., creates the Agency for Enterprise Information Technology (the “AEIT”). The AEIT is headed by the Governor and Cabinet, 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. The executive director is the chief information officer of the state and is the executive sponsor for all enterprise information technology projects.¹ 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 delegated to executive branch agencies.

Among the duties assigned to the AEIT is the development of a work plan describing the activities that the agency intends to undertake and proposed outcomes. 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. For the 2007-2009 fiscal year, the work plan must include the development of recommended information technology policies. For the fiscal year beginning in 2008-2009, the agency is required to develop implementation plans for up to three of the following proposed enterprise information technology services to be established in law:

- Consolidation of the deployment, management, and operation of state owned or state operated computer rooms and data centers.
- A shared or consolidated enterprise information technology service delivery and support model for the e-mail, messaging, and calendaring service.
- Information security.
- A shared customer relationship management system that consolidates agency requirements for receiving, managing, responding to, tracking, and reporting on telephone, e-mail, personnel and other communications received from citizens.
- Consideration of a planned replacement cycle for computer equipment.

Section 282.20, F.S., requires the Department of Management Services (DMS) to operate and manage the Technology Resource Center (TRC). The TRC must serve customers as an

¹ The term “enterprise information technology projects” is not defined. Section 282.0041(7), F.S., defines “enterprise level” to mean “. . . all executive branch agencies created or authorized in statute to perform legislatively delegated functions.” The term “project” is defined by subsection (12) of the section to mean “. . . an endeavor that has a defined start and end point; is undertaken to create or modify a unique product, service, or result; and has specific objects that, when attained, signify completion.

information-system utility, offer a wide range of services and applications, and cooperate with the AEIT to identify and facilitate interdepartmental networking and integration of network services for its customers.

Chapter 20, F.S., provides for the organizational structure of the executive branch. Section 20.04(12), F.S., defines “board of trustees” to mean a board created by specific statutory enactment and appointed to function adjunctively to a department, the Governor, or the Executive Office of the Governor to administer public property or a public program. Section 20.052, F.S., establishes requirements for advisory bodies, commissions, and boards.

Section 20.315(10), F.S., authorizes only one offender-based information and records system maintained by the Department of Corrections for the joint use of the department and the Parole Commission. This system is managed through the Justice Data Center, a part of the department. The department is required to develop and maintain the offender-based information system in consultation with the Criminal Juvenile Justice Information Systems Council under s. 943.08, F.S.

Section 215.322(2), F.S., requires the Chief Financial Officer (CFO) to approve agency acceptance of credit cards, charge cards, or debit cards in payment for goods and services prior to use of such systems. Additionally, if the Internet or other related electronic methods are to be used by an agency as a collection medium, the section requires the State Technology Office (STO) to review and recommend to the CFO whether to such method should be approved. The STO, however, was abolished.

Section 216.235, F.S., is the “Innovation Investment Program Act.” The act encourages agencies to pursue innovative investment projects which demonstrate a novel, creative, and entrepreneurial approach to conducting agency business processes. The act provides for the State Innovation Committee, which has final approval authority as to which innovative investment projects submitted under the section are to be funded. Among the committee members is the Chief Technology Officer in the STO, which was abolished.

In December, 2007 the Florida Senate hired Gartner, Inc. to conduct a data center consolidation cost analysis and feasibility study to develop a current-state baseline assessment of the state’s data center operations and analyze alternatives for effective consolidation. In order to perform this analysis, Gartner collected workload and cost data on over sixty agency data center facilities. Approximately forty-three of those computer facilities will be included in the final study. A comparison of Florida’s computing facilities workload against a consolidated peer of comparable workload indicated minimum savings of \$17 million could be achieved from consolidation representing approximately 16% savings from total computing services expenditures.

Gartner categorized the twenty largest facilities by quality to determine what facilities were available as recipients for consolidation of other facilities. Three were determined suitable: The Shared Resource Center at the Department of Management Services, the Northwood Data Center at the Department of Children and Families and the Northwest Florida Regional Data Center, an ancillary facility of Florida State University. The data Gartner collected from over 60 data centers, indicated that approximately 230,000 square feet of raised floor space is available, over 127,000 square feet of which is unoccupied. Further, the three largest facilities, the Shared

Resource Center, Northwood Data Center and Northwest Florida Regional Data Center, contained approximately 33,000 square feet of the unused space. The study also concluded that almost a quarter of the current total unused power capacity of 3.2 megawatts is at the Northwood Data Center. Gartner's final study will be submitted in early April, 2008.

III. Effect of Proposed Changes:

Section 1: The bill amends s. 14.204, F.S., to reorganize it for clarity, to provide general rulemaking authority to the department, and to add specific duties. The additional duties are the performance of duties related to the state data center system as provided in s. 282.201 and to coordinate procurement negotiations for hardware and software acquisition necessary to consolidate data center or computer facilities.

Section 2: The bill amends s. 215.322, F.S., so that the Agency for Enterprise Information Technology (AEIT), instead of the abolished State Technology Office (STO), reviews and recommends to the Chief Financial Officer (CFO) whether to approve use of the Internet or other electronic method by an agency to receive payment for goods or services.

Section 3: The bill amends s. 216.235, F.S., the "Innovation Investment Program Act," to remove the Chief Information Officer of the STO (which was abolished) from the State Innovation Committee and replace this member with the executive director of the AEIT. Further, all of the duties of the former STO under the section are transferred to the AEIT.

Section 4: Section 282.003, F.S., the "Information Resources Management Act of 1997," is renamed the "Information Technology Resources Management Act" to reflect other changes made by the bill.

Section 5: The bill amends s. 282.0041, F.S., to provide additional definitions to the section. Specifically, the bill adds definitions for:

- Annual budget meeting.
- Business continuity plan.
- Computing facility.
- Customer entity.
- Data center.
- Information-system utility.
- Performance metrics.
- Primary data center.
- Service level.
- Service-level agreement.
- Usage.
- Usage rate.

Section 6: The bill amends section s. 282.0055, F.S. to make technical corrections to cross references.

Section 7: The bill also amends current duties of the AEIT related to the work plan currently required by s. 282.0056, F.S. Under the bill, the AEIT will be required to develop the work plan annually within 30 days after the beginning of the fiscal year. The work plan must still describe the activities the agency intends to undertake, but only for that particular year. Further, the work plan must include not only proposed outcomes but completion timeframes.

The bill updates current statutory deadlines related to the work plan, as well. By December 31, 2008, the AEIT must develop implementation plans for at least one of the enterprise information technology services provided in statute. The bill eliminates one of these services, the consolidation of data centers, as the bill provides for such consolidation. The bill also eliminates from the current statutory list the shared customer relationship management system that consolidates agency requirements for receiving, managing, responding to, tracking, and reporting on telephone, e-mail, personnel, and other communications received from citizens.

Under the bill, the AEIT must report to the Governor and Cabinet, the President of the Senate, and the Speaker of the House of Representatives on what was achieved or not achieved in the prior year's work plan. This report must be made within 30 days after the end of the fiscal year.

Section 8: The bill creates the state data center system. The system is composed of primary data centers, other nonprimary data centers, and computing facilities serving state agencies. The bill defines a "primary data center" to be 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. A "computing facility" is defined to mean 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, but excluding single-server installations that exclusively perform a utility function such as file and print servers.

The AEIT is responsible for establishing operating policies for the system. Under the bill, the AEIT is required to:

- Maintain an inventory of facilities within the state data center system.
- Annually approve cost-recovery mechanisms and rate structures for primary data centers.
- 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 December 31 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.
- Develop policies for the operation of the state data center system.

The bill also requires state agencies to report certain information to the AEIT annually. By October 15 of each year, each state agency must submit to the AEIT the following information for each agency data center and computing facility:

- The amount of floor space used and available.
- The numbers and capacities of mainframes and servers.
- Storage network capacity.
- Amount of power used and the available capacity.
- Estimated expenditures by service area.

By July 1 of each year, each state agency must submit to the AEIT the following information for each agency data center and computing facility:

- A list of contracts in effect for the fiscal year.
- Service-level agreements by customer entity.

The bill also expressly prohibits an agency, unless otherwise authorized by the Legislature or by the AEIT, from: (a) creating a new computing facility or data center or expanding an existing computing facility or data center; (b) transferring existing computing services to or initiating new computing services with a nonprimary data center or computing facility; or (c) terminating services with a primary data center or transferring services between primary data centers without giving written notice of intent to terminate or transfer services 180 days before such termination or transfer. The bill authorized the AEIT to grant an exception to these three provisions if there is insufficient capacity in a primary data center to absorb the workload associated with agency computing services.

Section 9. The bill establishes duties and responsibilities of primary data centers. Among those duties are provision of transparent financial statements, maintaining facility performance, development of business continuity plans, and execution of service-level agreements with customer entities.

Each primary data center is headed by a board of trustees, as defined in s. 20.03, F.S. The board members are appointed by the agency head or chief executive officer of the representative customer entities of the primary data center and serve at the pleasure of the appointer. Additionally, the executive director of the AEIT serves on each board as a voting member. The bill provides for initial appointments and appointments that are made after operational costs are apportioned after the primary data center has been operational for a year. Membership on primary data center boards must be apportioned using the following criteria:

- Customer entities whose usage rate represents at least 4 percent and up to 14 percent of the total usage base have one trustee.
- Customer entities whose usage rate represents from 15 percent to 29 percent of the total usage base have two trustees.
- Customer entities whose usage rate represents more than 30 percent to 49 percent of the total usage base have three trustees.
- Customer entities whose usage rate represents more than 50 percent of the total usage base have three trustees.
- A single trust represents customer entities that represent less than 4 percent of the total usage base.

Members representing customer entities who fail to timely pay for data center services do not have voting rights.

Each primary data center board is authorized to employ an executive director, who serves at the pleasure of the board. The executive director is responsible for the daily operation of the center and for ensuring it is in compliance with statutes and rules regulating primary data centers.

Sections 10 and 11: The bill also creates two primary data centers, the Northwood Shared Resource Center and the Southwood Shared Resource Center. The Northwood center is established in the Department of Children and Family Services and the Southwood center is established in the Department of Management Services. Both primary data centers are separate budget entities and they are not subject to control, supervision, or direction of the departments in which they are administratively housed.

Section 12: The bill amends s. 282.315 F.S., to provide that the Chief Information Officers may make recommendations to AEIT on policies relating to data center consolidation.

Section 13: The bill also amends s. 282.322, F.S., which establishes a special monitoring process for certain information resources management projects. The bill requires the executive director of the AEIT to report on any information technology project that the Legislature identifies as high-risk to the Governor and Cabinet, instead of to the Executive Office of the Governor.

Sections 14 through 17: The bill makes numerous reference changes from the former State Technology Office to the AEIT.

Section 18: The bill transfers all data center functions performed, managed, operated, or supported by state agencies with resources and equipment currently located in a primary data center created by the act to that primary data center and requires that agency to become a full-service customer entity by July 1, 2009. All resources and equipment located in the primary data center become the property of the primary data center. Data center functions are defined to include, but are not limited to, all data center hardware, software, staff, contracted services, and facility resources performing data center management and operations, security, production control, backup and recovery, disaster recovery, system administration, database administration, system programming, job control production control, print, storage, technical support, help desk, and managed services.

To accomplish the transfer, each state agency that is a customer entity of a primary data center is required to submit a plan to the board of trustees of that primary data center describing costs and resources currently used to manage and maintain hardware and operating and support software housed at the primary data center and a plan for transferring all resources allocated to data center functions to the primary data center. Additionally, each such agency must submit with its 2009-2010 legislative budget request budget adjustments necessary to accomplish the transfers.

Section 19: Additionally, the bill transfers information technology functions of the Parole Commission to the Department of Law Enforcement. The commission and the department must develop and implement a written plan that provides for the full transfer of administrative

functions associated with the commission's information technology operations, defines the functions to be performed by each party, and delineates responsibility for each function. The plan must be completed by September 30, 2008. The commission and department are also required to enter into a service-level agreement that defines key performance indicators for the computing services provided.

Section 20: The bill also provides for consolidation of computing requirements provided by the Departments of Transportation and Highway Safety and Motor Vehicles at the Suwannee and Kirkman Data Centers, and the Southwood Shared Resource Center, must be consolidated within the Southwood Shared Resource Center by July 1, 2009.

The bill also repeals s. 282.20, F.S., which provides that the Department of Management Services must operate and manage the Technology Resources Center.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

Section 20.052(5)(c), F.S., provides that unless an exemption is otherwise specifically provided by law, all meetings of a board of trustees adjunct to an executive agency are public meetings under s. 286.011. Minutes, including a record of all votes cast, must be maintained for all meetings.

Pursuant to paragraph (d) of that section, if a board of trustees that is adjunct to an executive agency is abolished, its records must be appropriately stored, within 30 days after the effective date of its abolition, by the executive agency to which it was adjunct. Records of a board of trustees are public records within the definition of s. 119.011(11), F.S.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None

C. Government Sector Impact:

This bill establishes a governance structure for two existing state data centers which were categorized in the Gartner Study as quality data centers. The bill requires each data center to be a separate budget entity. The Southwood Shared Resource Center and the Northwood Shared Resource Center, as renamed by this bill, are also designated as recipients for consolidation of other computing facilities. The bill establishes a policy framework for future consolidations which are expected to generate cost savings for customers of these data centers as consolidations occur and economies of scale are achieved.

The bill provides for the consolidation, at the Southwood Shared Resource Center, of mainframe computing services currently located at the Department of Highway Safety and Motor Vehicles and the Department of Transportation. Consolidation is expected to lower mainframe computing costs for each agency customer for Fiscal Year 2009-2010.

Information Technology functions in the Parole Commission are transferred to the Department of Law Enforcement which supports reductions to the commission's information technology expenditures in the Senate Proposed Bill 7086 relating to Criminal and Civil Justice Appropriations.

The bill also transfers data center functions, by July 1, 2009, which support equipment currently located at the Northwood and Southwood shared resource centers. These transfers affect the Department of Health, the Department of Revenue, the Department of State, the Agency for Persons With Disabilities, the Agency for Workforce Innovation, the Department of Community Affairs, the Department of Children and Families, the Division of Emergency Management, the Department of Juvenile Justice, the Department of Education, the Department of Elder Affairs, the Executive Office of the Governor, the Department of Highway Safety and Motor Vehicles and the Department of Education.

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.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
