

SENATE BILL REPORT

SB 6845

As Reported by Senate Committee On:
Ways & Means, February 8, 2010

Title: An act relating to information technology projects.

Brief Description: Requiring the collection and use of additional information regarding information technology projects.

Sponsors: Senators Fraser and Swecker.

Brief History:

Committee Activity: Ways & Means: 2/05/10, 2/08/10 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6845 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hewitt, Hobbs, Honeyford, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Parlette, Pflug, Pridemore, Regala, Rockefeller and Schoesler.

Staff: Jenny Greenlee (786-7711)

Background: The state of Washington spent \$1.9 billion on information technology (IT) projects in 2007-2009. The Department of Information Systems (DIS) and the Information Services Board (ISB) provide oversight over IT projects for the state. DIS is currently required to provide funding recommendations on projects to the Office of Financial Management (OFM). DIS is also required to provide evaluations of IT projects to OFM and members of the Legislature.

The state has undertaken a variety of efforts recently to examine IT strategies and expenditures for the state. In 2007 the Legislature formed the Information Technology Work Group, which resulted in the hiring of a consultant to make recommendations regarding improvements in the IT for Washington. One of the recommendations was to ensure IT projects have more consistent funding. The ISB, which is staffed by DIS, recently made recommendations around the funding and oversight of IT projects. In particular, they

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recommend making the process similar to the capital budget because IT projects can be complex multi-year projects with significant funding attached to them.

Summary of Bill (Recommended Substitute): Several changes are made to the state budget and accounting act including the requirement that OFM obtain specific information about IT projects, including current and future costs by category, estimated operating savings and other benefits, and estimated start and end dates. OFM must also institute a method of accounting for IT-related expenditures and report to the Legislature, with the first report due on January 15, 2013. Additionally, the Governor's budget must include an IT plan which lists all proposed projects and their current and future costs. This plan must be submitted electronically, in a format agreed upon by OFM and the Legislative Evaluation and Accountability Program Committee (LEAP).

DIS must also send IT funding recommendations to the Legislature and legislative staff. DIS must also complete a major projects report to OFM and the Legislature. The report must contain original and final budgets, original and final schedules, and a progress report on obtaining the performance measures included in the original proposal. DIS must report on all major projects completed in the previous biennium and projects completed two years previously. The first report is due December 15, 2011, and every two years after.

The ISB must work with OFM on developing and implementing contracting standards for IT purchases.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): The section related to the major projects report was moved from Revised Code of Washington (RCW) 43.105.190, which relates to the definition of major technology projects, to RCW 43.105.160, which relates to the biennial state performance report on information technology. The information contained within the Governor's Information Technology Plan, required under section 2, must be submitted electronically in a format agreed upon by OFM and LEAP.

Appropriation: None.

Fiscal Note: Requested on February 4, 2010.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: For very large projects we should have a process that mirrors the capital budget process. We need to know the future costs of these projects. The capital budget structure is very helpful, includes past and future spending and the funding sources. This bill helps provide clarity and transparency to the IT process.

Persons Testifying: PRO: Senator Fraser, prime sponsor.