
**Innovation, Technology & Economic
Development Committee**

E2SSB 5662

Brief Description: Concerning cloud computing solutions.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Palumbo, Carlyle, Rolfes, Mullet, Nguyen, Hobbs, Lias, Pedersen and Braun).

Brief Summary of Engrossed Second Substitute Bill

- Requires state agencies to adopt cloud computing solutions for any new information technology or telecommunications investments.
- Requires the Office of the Chief Information Officer to conduct a statewide cloud computing readiness assessment.
- Repeals the mandate for state agencies to migrate to the state data center.

Hearing Date: 3/26/19

Staff: Kyle Raymond (786-7190).

Background:

Consolidated Technology Services Agency.

The Consolidated Technology Services agency, also known as WaTech, supports state agencies as a centralized provider and procurer of certain information technology (IT) services. Agencies are encouraged to rely on WaTech for services with a business case of broad use, uniformity, scalability, and price sensitivity to aggregation and volume. WaTech is responsible for: (1) establishing rates and fees for services provided; (2) developing a business plan for services or activities to be contracted; (3) developing plans for the agency's achievement of statewide goals and objectives; and (4) enabling the standardization and consolidation of IT infrastructure across all state agencies to support enterprise-based system development and improve and maintain service delivery.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Within WaTech, the Office of the Chief Information Officer (OCIO) has primary duties related to IT for state government, which include:

- preparing and leading the implementation of a statewide IT strategic direction and enterprise architecture;
- establishing standards for consistent and efficient operation of IT across the state;
- establish statewide enterprise architecture that will serve as the organizing standard; and
- educate and inform state managers and policymakers on technological developments, industry trends and best practices, industry benchmarks that strengthen decision making and professional development, and industry understanding for public managers and decision makers.

Agencies are required to use WaTech to house agency servers or use cloud-based services. The OCIO is also required to develop a migration strategy plan to ensure that all state agencies are moving towards WaTech as their central services provider for all utility-based infrastructure services. Utility-based infrastructure services include personal computer and portable device support, servers and server administration, security administration, network administration, telephony, electronic mail (e-mail), and other IT services commonly used by state agencies. WaTech also hosts agency systems on its mainframe.

State Data Center.

The state data center was completed in 2011, and the data center includes four halls, two of which are operating as data centers. Under current law, state agencies must locate all existing and new servers in the state data center. State agencies with a service requirement that requires servers to be located outside the state data center must receive a waiver from the OCIO.

Summary of Bill:

State Agency Cloud Computing Solutions.

State agencies must adopt third-party, commercial cloud computing solutions for any new information technology or telecommunications investment. Prior to selecting and implementing a cloud computing solution, state agencies must evaluate: (1) the ability of the cloud computing solution to meet security and compliance requirements; and (2) the data portability if the agency decides to discontinue cloud service.

State agencies are prohibited from installing and operating servers, storage, networking, and related hardware in agency-operated facilities, unless a waiver is approved by the OCIO. To obtain a waiver, a state agency must submit a written justification that cites the specific service or performance requirement for not using a cloud computing solution. The OCIO must submit information on requested and granted waiver applications to the Legislature by December 30th each calendar year.

Statewide Assessment. The OCIO must conduct a statewide cloud computing readiness assessment to prepare for migrating core services to cloud service. The assessment must:

- Inventory state agency assets, associated service contracts, and other relevant information;
- Identify impacts to state agency staffing from a migration to cloud computing; and
- Identify additional resources needed to enable sufficient cloud migration support to state agencies.

A summary of the assessment and recommendations for migration goals must be submitted to the Governor and the Legislature by June 30, 2020.

Procurement Process. The Department of Enterprise Services, with oversight and technical assistance from WaTech, must conduct competitive procurement processes to identify contractors to provide cloud computing services or system migration support. The processes must identify no more than three contracts per procurement, and the procurement process must be reopened and contracts renegotiated at a minimum every five years.

Exemption. This act does not apply to higher education institutions.

State Data Center.

The mandate requiring state agencies to migrate to the state data center is repealed.

Appropriation: None.

Fiscal Note: Available for Substitute Senate Bill 5662. New fiscal note requested on March 14, 2019.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.