

HOUSE BILL REPORT

HB 2814

*As Reported By House Committee on:
Appropriations.*

Title: An act relating to state information resources.

Brief Description: Revising statutes regarding state information resources.

Sponsor(s): Representatives H. Sommers, Silver, Anderson, Locke and Winsley; by request of Department of Information Services and Office of Financial Management.

Brief History:

Reported by House Committee on:
Appropriations, February 9, 1992, DPS.

**HOUSE COMMITTEE ON
APPROPRIATIONS.**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 25 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Brekke; Carlson; Dorn; Ebersole; Hine; Lisk; May; Mielke; Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Valle; Vance; and Wang.

Staff: Beth Redfield (786-7130).

Background: The Information Services Board and Department of Information Services: The Information Services Board and the Department of Information Services were created in 1987 to provide coordinated planning, management, and delivery of state information services. The board provides direction to state agencies on strategic planning and technical policies for information services, develops acquisition standards, and assists agencies in acquiring and implementing information services.

Service and Planning Components: The department is comprised of two principal functional components: service and planning. The service providing component provides telephone, data transmission, mainframe computing, bulk purchasing, and consulting services. The department holds roughly 30 percent of the state agency market for these

services. Services are provided on a full cost-recovery basis and the department must compete with other vendors to provide services to state agencies. The planning component provides staff support to the board and its duties include conducting reviews and assessments of agency information technology projects, as directed by the board.

The department is scheduled for sunset review in 1994.

Report to the Legislature: In response to troubled large computer system development, the 1991-93 Omnibus Appropriations Act provided only fiscal year 1992 funding for the planning component. The act also directed the department to report to the Legislature by January 15, 1992, on the state's information systems development, review, and approval process.

The report recognizes that information technology planning has been poorly executed and project oversight ineffective. To remedy these problems, the report lays out a two-year planning cycle and a project oversight process which are intended to improve control over project resources, the quality of technical requirements assessments, and the accuracy of estimates of the time and funding necessary for implementation.

Summary of Substitute Bill: Planning and Funding of Major Information Technology Projects: The Department of Information Services (DIS) is required to establish standards and policies, subject to approval of the Information Services Board (ISB), governing planning, implementation, and evaluation of major information technology projects. These standards and policies are to define a process and procedures which agencies will follow in developing and implementing major projects. Agencies may propose their own process for department approval. Projects are to include distinct and identifiable "phases" upon which funding can be based. Project plans and agreements are to be mutually agreed to by the director of the agency involved, the director of DIS and the director of financial management. The Department of Information Services is to define what projects will be subject to this process.

The Office of Financial Management (OFM) is to establish policies and standards governing the funding of major projects. The director of information services, the director of financial management, and the head of the agency proposing the project are to agree on terms and conditions for funding projects. The department may require that funds be released on a phase-by-phase basis. Products are to be tested and approved before final payment is made.

Review of Funding Requests for Information Technology: At the request of OFM, DIS is to review agency funding requests for information technology. The Department of Information Services recommendations regarding such funding requests are to be submitted to OFM and the Legislature along with the agency's budget request.

State and Agency Strategic Planning: The Department of Information Services is required to develop a state strategic information technology plan setting forth the statewide mission, goals, and objectives for the use of information technology. The plan and any updates are to be approved by the Information Services Board.

Each agency is required to develop an agency strategic information technology plan setting forth the agency mission, goals and objectives relating to information technology. Plans are to include an explanation of how the agency plan conforms to the state strategic plan and projects, resources, and estimated funding required to meet the objectives of the plan.

Annual Performance Report: The Department of Information Services is required to develop an annual performance report on information technology. This report is to include an assessment of progress toward implementing the state strategic information technology plan; an analysis of the success or failure, feasibility, progress, costs, and timeliness of major information technology projects; identification of benefits, cost avoidance, and cost savings generated by major projects; and an inventory of state information technology.

Agencies are required to develop agency performance reports similar to the DIS performance report outlined above.

Information Services Board (ISB): The director of information services is made a voting member of the Information Services Board. The director is currently an ex officio, nonvoting member.

Sunset: The current sunset review of DIS and the ISB scheduled for June 30, 1994 is extended to June 30, 1996.

Emergency Clause: The proposed substitute contains an emergency clause.

Substitute Bill Compared to Original Bill: The proposed substitute bill is far less detailed and procedurally oriented. Where the original bill sets forth detailed procedures relating to planning, funding, and evaluating information technology projects, the proposed substitute

gives DIS and OFM a broader authority and requires that the standards, policies, and procedures be established by the two agencies.

Deleted from the original bill were changes in the intent section relating to planning and funding information resources, data security and confidentiality, and responsibility for information resource projects; changes in current law relating to telecommunications; definition changes, including information resources, state agency, agency head, and major project; amendments restricting agency discretion regarding the use of DIS services; and amendments exempting "information resources" from the filing and competitive bidding requirements of the personal services contracts law.

Fiscal Note: Requested February 10, 1992.

Effective Date of Substitute Bill: Sections 1 through 5 and 7 through 14 of the substitute bill contain an emergency clause and take effect immediately. Section 6 of the bill contains an emergency clause and takes effect on April 1, 1992. Section 5 of the bill shall expire April 1, 1992. The remainder of the bill is effective ninety days after adjournment of session in which bill is passed.

Testimony For: Placing oversight and regulation duties of the Department of Information Services into statute will improve accountability and responsibility of information technology planning and ensure that procedural changes are lasting rather than temporarily associated with the current director.

Testimony Against: Legislation should focus on policy, not procedures. The state should retain a more flexible approach to information technology planning, with decisions based on costs and benefits at the agency level, not statewide policies. The procedures will discourage agency initiative and limit competition.

Witnesses: Brad Blanchard, Director, Department of Information Services (supports); and Mike Stewart, Council of Presidents (opposes).