

SENATE BILL REPORT

SHB 2601

As Reported By Senate Committee On:
Government Operations & Elections, February 23, 2006

Title: An act relating to information technology projects.

Brief Description: Regarding state purchasing of information technology projects.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representatives Hunter, Anderson, Morris, Jarrett, Nixon, O'Brien, Hudgins, Tom, Kilmer and Wallace).

Brief History: Passed House: 2/08/06, 95-0.

Committee Activity: Government Operations & Elections: 2/22/06, 2/23/06 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Kastama, Chair; Roach, Ranking Minority Member; Benton, Fairley, Haugen, Kline, McCaslin, Mulliken and Pridemore.

Staff: Diane Smith (786-7410)

Background: The Office of Financial Management (OFM) works with the Legislature in developing fiscal notes. Fiscal notes explain the expected fiscal impact of bills and resolutions that may increase or decrease state government revenue or expenditures. Fiscal notes must indicate the impact for the remainder of the current biennium in which the bill takes effect, as well as the fiscal impact for the succeeding four fiscal years.

The Information Services Board (ISB) is comprised of 15 members who represent the legislative, judicial, and executive branches of government, higher education institutions, and the private sector. It provides coordinated planning and management of state information services, including information systems, telecommunications, equipment, software and services. This includes developing standards and procedures governing the acquisition and disposition of information technology purchased by or on behalf of state agencies; acquiring, disposing of and maintaining equipment, proprietary software and purchased services or delegating these functions to other agencies under appropriate standards; reviewing and approving standards and common specifications for new or expanded telecommunications networks proposed by agencies and educational institutions; providing direction concerning strategic planning goals and objectives for the state; and establishing policies for periodic review by the Department of Information Services (DIS) of agency performance regarding information services.

With the exception of the Legislature, agencies and institutions of state government are expressly prohibited from acquiring or disposing of equipment, proprietary software, and purchased services without the express delegation of authority from the ISB. The state

purchasing and material control functions served by the Department of General Administration are not applicable to the acquisition and disposition of equipment, proprietary software, and purchased services for electronic data processing equipment.

DIS performs the duties and responsibilities delegated to it by the ISB. One of the duties of DIS is to provide staff support to the ISB. Another duty is to make information services available to state agencies, local governments, and public benefit nonprofit corporations. The use of these services is discretionary. The rates and fees to the users are determined by DIS and are based on full cost-recovery.

State agencies must develop information technology portfolios. Each agency's portfolio must include: (1) a baseline assessment of the agency's information technology resources and capabilities; (2) projects and resources required to meet the objectives of the agency's identified projects; and (3) where feasible, estimated schedules and funding required to implement the agency's identified projects.

State agencies are directed to report to DIS on progress with their portfolios. ISB policy requires agencies to provide their reports to DIS no later than August 31 of each year. In turn, DIS aggregates this information and reports to the Legislature and to the Governor on a biennial basis. The last biennial performance report was submitted by DIS in August 2001. DIS did not publish a biennial performance report in 2003 or 2005.

Summary of Bill: The OFM and DIS must consult with each other to develop fiscal notes that identify fiscal and operational impacts of proposed legislation on the state information technology portfolio.

DIS, in consultation with the ISB and OFM, must prepare a six-year strategic plan for state information technology projects. At a minimum, the strategic plan must contain a long-term plan for prioritized state investments in information technology projects; a statewide information technology assessment; a detailed list of proposed information technology projects for the upcoming biennium and two succeeding biennia; and a comprehensive review of the most recent biennial state performance report. The strategic plan must be updated biennially and submitted to the Governor and the appropriate fiscal committees of the Legislature.

Among the ISB's powers and duties is added the development of statewide requirements for contracts for information technology projects.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: The Legislature needs to provide more oversight of information technology projects. We want the Legislature to understand the impact it may have on ongoing projects when it makes major changes to the law. We think having a strategic plan is important. Most of our information technology is outsourced and adding oversight will help the DIS better manage its resources. This bill will help the DIS make good decisions with respect to

information technology and ensure that those investments are a success. This bill gives the Legislature some valuable tools.

Testimony Against: none.

Who Testified: PRO: Representative Ross Hunter, prime sponsor; Representative Anderson; Tracy Guerin, Department of Information Services. CON: none.