

HOUSE BILL REPORT

HB 2289

As Reported by House Committee On:
Technology, Energy & Communications
Appropriations

Title: An act relating to utilizing information technology.

Brief Description: Regarding state agency use of information technology.

Sponsors: Representatives Ericks, Morris, O'Brien and Ormsby.

Brief History:

Committee Activity:

Technology, Energy & Communications: 2/21/07 [DPS];
Appropriations: 3/1/07, 3/5/07 [DP(w/o sub TEC)].

Brief Summary of Bill

- Creates a joint legislative task force to review a statewide information services strategy and enhance the utilization of services offered by the Department of Information Services.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Morris, Chair; McCoy, Vice Chair; Crouse, Ranking Minority Member; McCune, Assistant Ranking Minority Member; Eddy, Hankins, Hudgins, Hurst, Takko and VanDeWege.

Staff: Scott Richards (786-7156).

Background:

Department of Information Services (DIS)

The DIS provides for coordinated planning and management of state information services. The DIS primarily receives direction from the Governor, Legislature, and the Information Services Board (ISB). The ISB is responsible for the development of information technology (IT) policies for the state. The DIS receives input from its Customer Advisory Board (CAB),

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which meets monthly and generally consists of agency Chief Information Officers and other agency IT staff.

The DIS is directed by the ISB to:

- review agency IT portfolios;
- implement statewide and interagency policies and standards;
- make available information services to state agencies, local governments and public benefit non-profits on a cost-recovery basis;
- establish rates and fees for services provided by the DIS to ensure that the services component of the DIS is self-supporting;
- develop a state strategic IT plan and performance reports in consultation with the ISB and other agencies;
- develop plans for the DIS to achieve goals and objectives in the state strategic IT plan, including seeking the advice of the ISB and the CAB;
- develop training plans for agencies under the direction of the ISB and in collaboration with the Department of Personnel;
- assess agencies' projects, acquisitions, plans, IT portfolios, or overall information processing performance as requested by the ISB, the Office of Financial Management (OFM), or the Legislature;
- develop planning, budgeting, and expenditure reporting requirements for agencies to follow;
- assist the OFM with budgetary and policy reviews of agency plans for information services;
- provide staff support to the ISB; and
- act as the lead agency in coordinating video telecommunications services for all state agencies and developing standards for equipment.

Information Services Board (ISB)

The ISB provides oversight and management for large information technology projects administered by executive branch agency staff. The ISB is administered by a 15 member board of directors.

The duties of the ISB are to:

- develop standards governing acquisition and disposition of equipment, software, and purchased services by or on behalf of state agencies;
- purchase, lease, rent, maintain or dispose of equipment, software, or services;
- develop statewide policies, standards and procedures regarding IT;
- review and approve standards and specifications for new or expanded telecommunications networks proposed by agencies or educational service districts or entities; and
- provide direction for the state concerning strategic planning for IT.

Streamlining Technology and Energy Projects

During the 2006 interim, the Technology, Energy and Communications (TEC) Committee conducted research and surveyed state-based technology and energy entities to answer some fundamental questions about how these entities perform their statutory mission, set policies

and priorities, fund operations and measure performance. The TEC Committee undertook this project with the goal to provide more focus and efficient use of state resources by centralizing missions and reducing administrative overhead of relevant entities. The TEC Committee research found that state agencies use an increasing variety of information services and technologies, leading to inefficient use of state resources and fragmented authority over important IT decisions.

Summary of Substitute Bill:

Legislative Intent

It is the intent of the Legislature for the Director of the Department of Information Services (Director) to have primary responsibility for the management and use of Information Technology (IT) enterprise services. The Director is required to consult regularly with each agency head regarding information technology enterprise services.

Powers and Duties of the Information Services Board

The powers and duties of the Information Services Board (ISB) is amended to eliminate its responsibility to purchase, lease, rent, or otherwise acquire, dispose of, and maintain IT equipment, proprietary software, and purchased services. In addition, the ISB may no longer delegate to other state agencies and institutions of state government the authority to purchase, lease, rent, or otherwise acquire, dispose of, or maintain equipment, proprietary software, and purchased services.

Duties of the Director

The duties of the Director are expanded to:

- advising the Governor and the Legislature with respect to matters affecting IT management and planning;
- establishing levels of delegated authority for state agencies and institutions of higher education related to the acquisition of hardware, software, or purchased or personal services relating to IT; and
- developing a migration strategy related to the transition of IT resources from state agencies to the Department of Information Services (DIS), with a completion date of June 30, 2010.

Migration Strategy

The migration strategy will:

- transfer all IT resources from agencies with 50 or less full time equivalents to the DIS to include the establishment of services for those agencies no later than June 30, 2008;
- transfer newly established IT positions to the DIS beginning July 1, 2007, at the discretion of the Director;
- transfer the administrative IT support functions of the Office of Financial Management and Department of Personnel to the DIS by June 30, 2009; and
- direct agencies to use IT enterprise services provided by the DIS.

Powers and Duties of DIS

State agencies and institutions of higher education are required to use, rather than choose to use, the DIS IT enterprise services when acquiring IT services, products, and assets including acquisitions within an agency's delegated authority.

Also, the powers and duties of the DIS are expanded to include providing technical assistance to the Governor and the Legislature in identifying IT needs and in planning to meet those needs through agency portfolios and investments for IT.

The DIS shall provide IT enterprise services to state agencies, institutions of higher education, local governments, and public benefit nonprofit corporations on a full cost-recovery basis.

"Information technology enterprise services" means the acquisition, provisioning, or approval of hardware, software, and purchased or personal services provided by the DIS. These services may include, but are not limited to:

- telecommunications services for voice, data, and video;
- mainframe computing services;
- support for departmental and microcomputer evaluation, installation, and use;
- equipment acquisition assistance, including leasing, brokering, and establishing master contracts;
- facilities management services for IT equipment, equipment repair, and maintenance service;
- negotiation with local cable companies and local governments to provide for connection to local cable services to allow for access to these public and educational channels in the state;
- office automation services;
- system development services; and
- training.

Specific Service Requirements

If an agency has a specific service requirement to acquire hardware, software or purchased or personal services directly, the agency shall submit a request to proceed with the acquisition to the DIS for review and approval. The request shall be evaluated by the DIS in consultation with the OFM.

New Servers

State agencies and institutions of higher education shall locate all new servers with the DIS. Agencies with a service requirement that require servers to be located outside the DIS must first obtain written approval from the Director. Justifications must be based upon written justification from the requesting agency citing specific service requirements for locating servers outside the states common platform.

Evaluation of IT Project Budget Requests

The DIS is required to evaluate agency budget requests for any IT proposal identified as a major IT project, including proposals by institutions of higher education and the Superintendent of Public Instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education IT services.

The DIS is required to establish criteria, consistent with portfolio-based IT management, for the evaluation of agency budget requests. These budget requests shall be made in the context of an agency's IT portfolio; technology initiatives underlying budget requests are subject to the ISB review.

Criteria shall include, but not be limited to: the feasibility of the proposed projects, consistency with the state strategic IT plan, utilization of enterprise or common services, consistency with the agency IT portfolios, appropriate provision for public electronic access to information and services, costs, and benefits.

Substitute Bill Compared to Original Bill:

The substitute bill eliminates the establishment of a joint legislative task force on streamlining state information services provided in the original bill.

Appropriation: None.

Fiscal Note: Requested on substitute bill February 22, 2007.

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

Staff Summary of Public Testimony:

(In support) By virtue of state statute, the Department of Information Services (DIS) has an advisory role to state agencies on the issues of information technology (IT). There are areas where the DIS should have the authority to direct some efficiencies. Under current law they do not have that authority. This bill rectifies this situation.

There was a dream early on that technology would provide us increased efficiency. This bill, when successful, will bring efficiencies to state government and bring better service to our citizens. It won't be without challenges to make the changes, but it can be accomplished.

This bill will provide, through a transition plan and a strategic plan, a rational, reasoned transition of IT services. This is a business model change and it will take some time, but will be worth it in the end.

(Information only) The DIS shares the goals of the Technology, Energy and Communications Committee to ensure the state has a strategy to move forward with the appropriate use of technology over the long term. The DIS shares the goals that have been outlined with regard to efficiency and use of technology to perform more public services. It is important to achieve this goal without interrupting state functions.

(Opposed) None.

Persons Testifying: (In support) Representative Ericks, prime sponsor.

(Information only) Gary Robinson, Department of Information Services.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass and do not pass the substitute bill by Committee on Technology, Energy & Communications. Signed by 34 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Dunn, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

Staff: Owen Rowe (786-7391).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Technology, Energy & Communications:

The Appropriations Committee recommended adoption of the original House Bill that created a joint legislative task force to study the streamlining of state government technology enterprises.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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

Staff Summary of Public Testimony:

(In support) There is some room for improvement in this bill. This has been a subject that has been worked on cooperatively between the Department of Information Services (DIS) and myself. Many stakeholders have been reaching out to include institutions of higher education. I'm willing to keep working with stakeholders to improve this bill.

(With concerns) The state has not historically had a good track record in extracting efficiencies out of large, centralized service operations. In fact, many years have been spent trying to dismantle such systems. This bill would take staff from a huge array of agencies, and dealing with contracts and bargaining units could cause an unbelievable amount of work.

I have a company that sells copiers to the Department of General Administration (GA) for state agencies. It is unclear whether these machines would fall under the responsibility of the DIS, or would continue to be managed by GA. I have concerns about redundancy between the two agencies.

The Public Disclosure Commission is one of the most technology dependent state agencies of any size. We would like to maintain the current relationship we have with the DIS.

(Opposed) The scope of this bill is substantial and it would be difficult to implement the changes in the proposed legislation. At prior hearings we've shared with you the work the DIS is doing in cooperation with other agencies to ensure information technology projects in the state are successful. The responsibilities in this legislation would jeopardize the success of the DIS and other agencies with information technology initiatives.

This bill has come on very fast and has already been substantially amended. The original bill proposed a task force to examine the streamlining of the state's information technology services with a report due at the end of the year; many agreed with that proposal. The most complex aspect of this new proposal would be the migration of information technology personnel and resources to the DIS. This would be a formidable effort even with much study of the issue, and could not possibly be accomplished in the manner suggested in this bill.

Conservative estimates of the cost of this bill run into the millions of dollars. Confidential student information could be in jeopardy. If this bill moves forward we ask you to exempt the institutions of higher education.

The State Board for Community and Technical Colleges opposes this bill. Transferring technology negatively impacts college operations and could eliminate student work study positions, and move jobs from our local college communities to Olympia.

Persons Testifying: (In support) Representative Ericks, prime sponsor.

(With concerns) Dennis Eagle, Washington Federation of State Employees; Dean Hartman, Capital Business Machines; and Vicki Rippie, Public Disclosure Commission.

(Opposed) Luis Moscoso, Washington Public Employees Association and United Federation of Communication Workers 365; Mike Scroggins, State Board of Community and Technical Colleges; Terry Teale, Council of Presidents; Shane Hamlin, Office of the Secretary of State; and Gary Robinson, Department of Information Services.

Persons Signed In To Testify But Not Testifying: None.