

**STORAGE NAME:** h0197.go

**DATE:** March 27, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
GOVERNMENTAL OPERATIONS  
ANALYSIS**

**BILL #:** HB 197

**RELATING TO:** Governmental Products & Services/Internet

**SPONSOR(S):** Representative Greenstein

**TIED BILL(S):**

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) GOVERNMENTAL OPERATIONS
  - (2) JUDICIARY
  - (3) EDUCATION INNOVATION
  - (4) FINANCE & TAXATION
  - (5) GENERAL APPROPRIATIONS
- 

**I. SUMMARY:**

The bill directs the appropriate agencies to allow certain services to be transacted on the Internet before July 1, 2002: application for and renewal of professional and occupational licenses; application for hunting and fishing licenses; renewal of drivers' licenses; filings of sales tax, court documents, and Uniform Commercial Code; registration for products, brands, motor vehicles, corporations, and businesses; submission of applications for unemployment, welfare and health benefits.

The bill requires the state educational system, as coordinated by the Department of Education, to make reasonable progress toward making certain services available through the Internet by July 1, 2002. The bill requires state entities to take reasonable steps to ensure security and privacy of records, and provides that state entities are not required to provide transactions through the Internet if impractical, unreasonable or not permitted by privacy laws.

The bill provides for the duties of the Department of Management Services with respect to the monitoring and development of state agency information technology plans.

The bill shall take effect on July 1, 2000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                             |                              |
|-----------------------------------|------------------------------|-----------------------------|------------------------------|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

**State Technology Office**

Chapter 282, Florida Statutes, provides that each state agency head is responsible and accountable for the planning, acquisition, development, use and management of information technology resources within the agency. The coordination of these efforts currently is assigned to the Department of Management Services. A State Technology Office exists under s. 282.3093, Florida Statutes, in the Department of Management Services and is charged with providing support to various workgroups, such as the State Technology Council and the Chief Information Officers Council, and with facilitating educational and training efforts with respect to the state's use and management of information technology resources.

The State Technology Council must approve the State Annual Report on Information Resources Management by March 1 of each year. The State Technology Office would prepare, publish and disseminate the report. The report would contain: a state vision for information resources management; a forecast of the state's information resources management priorities and initiatives for the ensuing 2 years; a summary of major statewide policies recommended by the State Technology Council for information resources management; a summary of memoranda issued by the Governor's Office; an assessment of the state's overall progress in its information resources management initiatives and priorities for the past fiscal year; a summary and status of major statewide issues related to improving the state's information resources management; an inventory list, by major categories of the state's information resources; a summary of total expenditures for technology by each agency.

The head of each state agency would be required to appoint or contract for a Chief Information Officer to assist the agency head in managing agency information technology resources. The CIO position would be at a level commensurate with the role and importance of information technology resources in the agency. The position could be full-time or part-time. The responsibilities of the CIO would include: coordinating and facilitating agency information resources management activities and policies; preparing an agency annual report on information resources management; developing and implementing agency information resources management policies, procedures, and standards, including specific policies to govern the agency's purchase of information technology resources; advising the

agency head in developing the agency strategic plan or other constitutionally or statutorily required planning document; assisting in the development and prioritization of the agency's information resources management legislative budget requests; and any other technology-related activities delegated by the agency head.

A State Technology Council exists in s. 282.3091, Florida Statutes, and is placed administratively in the Department of Management Services. Intent language directs the group to recommend to the Executive Office of the Governor and to the Legislature statewide policies for information resources management. The council also is directed to establish a Task Force on Privacy and Technology and report in February, 2000 to the Governor and Legislature.

With respect to the issue of providing information and services to businesses and individuals electronically, the State Technology Office advises that state government currently has a cumbersome system, comprising nearly 150 individual websites.

### **The Technology Review Workgroup**

Chapter 97-286, Laws of Florida, authorizes the Executive Office of the Governor to contract with the Legislature to provide a mechanism for review and recommendations with respect to the portion of agency strategic plans that pertain to information resources management needs and with respect to agency legislative budget requests for information resources management. This mechanism is named the "Technology Review Workgroup." The Technology Review Workgroup would have three primary responsibilities, although its duties could be expanded or modified by joint agreement of the Executive Office of the Governor and the legislative appropriations committees. The workgroup's primary responsibilities are to:

- evaluate information resources management projects or initiatives—that meet specified thresholds and that are identified in agency strategic plans—for consistency with the State Annual Report on Information Resources Management and statewide policies, and provide its findings to the Executive Office of the Governor;
- review and make recommendations regarding agency legislative budget requests for information technology resources;
- review and make recommendations on agency proposed budget amendments for information technology resources which meet specified thresholds. The thresholds would include information resource management projects or initiatives that involve more than one agency, that have an outcome that impacts another agency, or that exceed \$500,000 in total cost over a 1-year period.

### **Information Service Technology Development Task Force** (Chapter 99-354, Laws of Florida)

The act establishes an Information Service Technology Development Task Force ("task force") in the Department of Management Services for two years for the purpose of developing policy recommendations that will foster free-market development and beneficial use of advanced communications networks and information technologies within Florida. The task force will be staffed by the State Technology Office within DMS. The State Technology Office is to promote public awareness of the development of principles and

policy recommendations by the task force. The State University System is to assist the task force as necessary.

The task force will:

- develop overarching principles to guide state policy decisions with respect to the free-market development and the beneficial use of advanced communications networks and information technologies in Florida;
- identify factors that will affect whether Internet-related technologies will flourish in Florida; and
- develop policy recommendations for each factor identified by the task force.

The task force issued a report to the Governor, the President of the Senate and the Speaker of the House on February 14, 2000, outlining principles, policy recommendations, and any suggested legislation. The task force established eight subcommittees in substantive areas, including eGovernment, with the objective of promoting the "development of strategies to ensure that government institutions use technology to increase the quality and cost-effectiveness of their services, while also fostering broader use of information technologies among and between residents and businesses."

The task force subcommittee on eGovernment recommended:

Within the next six months, the [State university System] under the direction of the Internet Task Force will conduct and complete a comprehensive market study to determine what the people of Florida want and will use in terms of online government services. \* \* \* The selection of applications to develop and implement most often depends on two determining factors. The first is focusing on transactions under a certain cost/value, and the other is focusing on applications that will maximize internal efficiencies. While these two factors are important considerations, another critical factor, customer care, often is ignored. \* \* \* A more comprehensive study of this subject is needed because the customer perspective is key to the success of the delivery of electronic government services.

The committee has identified the creation of a centralized IT [information technology] organization as high-impact, achievable, and an essential step toward ensuring the cost-effective deployment of technology across thirty-three various state agencies, commissions and boards. \* \* \* The benefits of leveraging resources come from the State's ability to negotiate volume pricing, decrease acquisition processing costs, decrease support and training costs by supporting fewer systems, improve the enterprise's ability to share data and applications, and increase end-user availability due to faster resolution of common problems.

### **Information Technology Program**

DMS is a leading supplier to schools, local governments and state agencies of complete technology solutions using multiple environments -- IBM mainframes, Unix servers, NT servers, Oracle databases and Internet-related technologies. Section 282.20, F.S., designates DMS as a fullservice Information Systems Utility responsible for offering, developing and supporting information processing and data center services, such as hardware, software, operations, integration, networking and consulting services. DMS was the first state agency to establish a national award-winning Internet presence.

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DMS's Information Technology Program is divided into five primary business groups: Hardware/Infrastructure, Application Development (creates customized solutions for governmental organizations seeking to offer Internet services without building their own facilities), Customer Service, Strategic Technologies, and Wireless Communications. In 1995 DMS launched the Government Services Direct Network, the state's newest public access strategy, aimed at making government more accessible to citizens. This advanced Internet applications allows citizens to conduct transactions online and quickly to locate information 24 hours a day, seven days a week.

### **One-Stop Permitting** (Chapter 99-244, Laws of Florida)

This act established an Internet One-Stop Permitting System. The purpose of the One-Stop Permitting System is to provide individuals and businesses with information concerning development permits, including guidance on permit requirements and who may be contacted concerning development permits for a specific location. Ultimately, the objective of the Internet site is to allow an applicant to complete and submit permit application forms and fees to state agencies and local governments over the Internet.

By January 1, 2000, the Department of Management Services (DMS) is directed to develop the One-Stop Permitting System Internet site. The Internet site is to allow a business or individual to complete and submit application forms for development permits to state agencies and counties. The term "development permit" is defined to include any state, regional, or local permits or approvals necessary for the physical location or expansion of a business; examples include: wetland or environmental resource permits; storm water permits; and zoning approvals and comprehensive plan amendments. State agencies to be initially included in the One-Stop Permitting System include: the Department of Environmental Protection; the Department of Community Affairs; the Department of Management Services; the Department of Transportation, including district offices; and each water management district. In addition, selected counties that agree to participate will be included in the One-Stop Permitting System.

By January 1, 2001, the Departments of Agriculture and Consumer Services, Business and Professional Regulation, Health, Insurance, Labor, Revenue, and State, the Game and Fresh Water Fish Commission, and other state agencies, are to be added to the One-Stop Permitting System Internet site. In addition, the DMS may add counties and municipalities as such local governments agree to participate and develop the technical capability of joining the system.

### **Educational Technology Planning and Funding**

The Florida Legislature has provided funding specifically for technology since 1993 to promote and support the effective use of technology in Florida's K-12 schools. Thirty percent of the funds provided in the first three years were required to be used for training in the use of instructional technology in the classroom. Planning at the state, district or school level is not necessarily tied to the funding. The latest Department of Education technology plan was completed in 1993. School districts have a system of planning and budgeting established in s. 229.555, F.S.; beginning in 1999-2000, each school improvement plan is required to address technology.

#### *Per Year Funding*

The Legislature allocated \$55 million in school technology incentive funds to school districts in the 1993-94, 1994-95, and 1995-96 school years.

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- \$65 million in 1996-97
- \$75 million in 1997-1998
- \$80 million in 1998-1999
- \$63.4 million in 1999-2000

The 1997 Legislature provided school districts with flexibility in spending these funds and provided additional funds for other purposes that could be used for technology: categorical funds for public school technology (\$79 million), grades K-8 summer school (\$83 million), class size reduction (\$100 million) and full service schools (\$11 million). These additional funds could be used for any of these four purposes in amounts that school boards determined would best meet the needs of students.

*Technology Literacy Challenge Fund (TLCF) Projects*

The federal TLCF program was intended to help ensure that every student in every school will be technologically literate by the 21st century. In order to meet this challenge, the President has urged the private sector, schools, teachers, students, community groups, states, local governments, and the federal government to work in partnership to achieve the following four primary goals for technology in education:

- All teachers will have the training and support they need to help all students learn through computers and through the information superhighway;
- All teachers and students will have modern computers in their classrooms;
- Every classroom will be connected to the information superhighway; and,
- Effective and engaging software and on-line resources will be an integral part of every school curriculum.

These national goals will continue to provide general direction for implementation of the Florida TLCF Grant Program. A major focus of the TLCF program is to provide assistance to the most financially and technologically needy school populations across the country.

The Florida Department of Education applied for and was awarded a Technology Literacy Challenge Fund block grant (March 1997) from the United States Department of Education (USDE). During 1996-97, \$7.5 million in TLCF grants were awarded for 17 projects. During 1998-99, \$18 million in TLCF grants were awarded for 67 projects.

Florida awarded \$17.5 million in TLCF grants to 46 projects under the 1999 Technology Literacy Challenge Fund program. Grant awards for 1999 ranged from \$69,604 to \$1,283,637 with most of the awards in the \$300,000 - 400,000 range.

If the fourth year of the program is authorized by Congress, the current TLCF allocation projection provided by the USDE indicates that Florida will receive an additional \$17.5 million in grants to Local Education Agencies. The Florida implementation of the TLCF Grant Program is designed to support comprehensive technology planning at the school, district, state, and federal levels. Another key objective of Florida's TLCF implementation effort is to promote the development and dissemination of effective technology-based instructional strategies that are clearly aligned with Florida's Sunshine State Standards.

**C. EFFECT OF PROPOSED CHANGES:**

The bill directs the appropriate agencies to allow certain services to be transacted on the Internet before July 1, 2002: application for and renewal of professional and occupational licenses; application for hunting and fishing licenses; renewal of drivers' licenses; filings of sales tax, court documents, and Uniform Commercial Code; registration for products,

brands, motor vehicles, corporations, and businesses; submission of applications for unemployment, welfare and health benefits.

The bill requires the state educational system, as coordinated by the Department of Education, to make reasonable progress toward making certain services available through the Internet by July 1, 2002: secure access by students and parents to grades; electronic mail communication with teachers and administrators; access to school calendars; and access to teaching resources such as teaching plans, curriculum guides and media resources.

The bill requires state entities to take reasonable steps to ensure security and privacy of records, and provides that state entities are not required to provide transactions through the Internet if impractical, unreasonable or not permitted by privacy laws.

The bill requires the Department of Management Services (DMS) to develop specific technology objectives and policies to guide the development of information services within state government; to coordinate the preparation of agency information technology plans within state government; to require each state agency to submit semiannually an agency information technology plan; and upon receipt of the plan, to approve or disapprove such plans, and coordinate the acquisition of information technology equipment and related services; to facilitate the implementation of such agency plans; to establish priorities and time sequencing for implementing such plans; to monitor information systems development; to advise the Governor on information technology policy and make recommendations on information technology equipment and personnel; maintain liaison with other branches and private sector to promote cooperation; to conduct performance audits of state information technology programs; to prepare an annual report to the Governor and Legislature; and to coordinate the efforts of state government to provide services through the Internet.

The bill provides that state agency information technology plans include information about objectives and expenditures in a level of detail as specified by DMS, which shall include the progress of each agency toward making services available through the Internet. Finally, the bill provides that DMS shall distribute copies of the audit report to the audited agency, the Governor and the chairs of the legislative appropriation committees.

The bill shall take effect July 1, 2000.

**D. SECTION-BY-SECTION ANALYSIS:**

See EFFECT OF PROPOSED CHANGES section above.

**III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

**1. Revenues:**

N/A

2. Expenditures:

The DMS Substantive Bill Analysis for the identical companion bill SB 1420 stated:

This bill will require possible additional hardware, software, disk storage, and personnel that will vary within each agency where the current use of paper transmittals will become automated via E-Services. Agencies with obsolete or non-standard hardware, software, and infrastructure would require additional appropriations to migrate systems for compliance with state standards and policies. The exact costs are unknown.

The recurring effects of this bill and its impact on state information services will need to be incorporated into existing and on-going state agency technology plans the way that normal growth and technology advances are currently handled with budgetary requests for revenues/expenditures/expenses. Maintenance and administration of these dynamic electronic commerce systems is expensive, although in the long run costs could be recovered through increased efficiency, effectiveness, reliability, manageability, and security. \* \* \* A combination of business knowledge and technical skills are required at an estimated cost of \$600,000 (ten FTEs at an average of \$60,000).

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.



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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill will not reduce the authority of counties or municipalities to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill will not reduce the state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Staff Director:

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Douglas Pile

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Jimmy O. Helms