

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 5509	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Government Operations Appropriations Subcommittee and Hooper	117 Y's	0 N's
COMPANION BILLS:	None	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/HB 5509 passed the House on March 9, 2012 and subsequently passed the Senate on March 9, 2012. This bill amends various provisions of law related to the consolidation of agency data centers and computing facilities to conform to the Fiscal Year 2012-2013 General Appropriations Act.

Currently, section 282.201, F.S., establishes a state data center system and requires all agency data centers and computing facilities to be consolidated into a primary data center by 2019. In 2011, the Legislature codified in statute the data center consolidation schedule recommended by the Agency for Enterprise Information Technology (AEIT). The consolidation schedule identifies the agencies required to consolidate, the primary data center each agency would consolidate into, and the fiscal year the agencies would consolidate.

Additionally, the Legislature established in law the requirement for agencies, primary data centers, and the AEIT to submit consolidation transition plans and identified the components required to be included in these plans.

Specifically, the bill:

- Amends the schedule for agency data center consolidations and exempts certain agencies from consolidating into a primary data center.
- Deletes the requirement that agencies must submit information relating to their data centers and computing facilities to the AEIT.
- Deletes the requirement for the AEIT to submit a comprehensive transition plan.
- Amends certain duties and responsibilities of a primary data center, to include the Northwest Regional Data Center.

The bill amends the agency data center consolidation schedule for Fiscal Year 2012-2013, which conforms to the Fiscal Year 2012-2013 General Appropriations Act by making a number of statewide adjustments to appropriations in the various agencies impacted by data center consolidation. These statewide adjustments increased General Revenue by \$1.9 million and decreased trust funds by \$400,998; for a net increase of \$1.54 million.

The bill was approved by the Governor on April 20, 2012, ch. 2012-142, Laws of Florida. The effective date of the bill is July 1, 2012.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Data Center Consolidations

Present Situation

The Legislature established the state data center system and required all agency data centers and computing facilities to be consolidated into a primary data center by 2019.¹ By December 1 of each year, beginning in 2009, the Legislature directed the Agency for Enterprise Information Technology (AEIT) to identify at least two agency data centers or computing facilities for consolidation into a primary data center.²

The Legislature initiated the first phase of data center consolidation in 2009 with proviso included in the Fiscal Year 2009-2010 General Appropriations Act that required the:

- Florida Parole Commission to transfer its information technology services, to include its data center functions, to the Department of Corrections by July 1, 2009.
- Department of Juvenile Justice to consolidate its data center functions into the Northwood Shared Resource Center (NSRC) by July 1, 2010.
- Department of Business and Professional Regulation to consolidate its data center functions into the NSRC by November 30, 2010.

The AEIT submitted its recommendation as required by law on September 30, 2009,³ for the next phase of data center consolidations and the Legislature directed via proviso in the Fiscal Year 2010-2011 General Appropriations Act the following consolidations:

To the Northwood Shared Resource Center (NSRC)

- Department of Juvenile Justice by July 1, 2010
- Department of Business and Professional Regulation by November 30, 2010
- Department of Children and Families' Winewood Office Complex by June 30, 2012
- Department of Transportation's Motor Carrier Compliance Office by July 1, 2011.

To the Southwood Shared Resource Center (SSRC)

- Department of Transportation Burns Office Building by March 31, 2012.
- Department of Transportation Survey and Mapping Office by March 31, 2012.

To the Northwest Regional Data Center (NWRDC)

- Department of Education by December 31, 2011.
- College Center for Library Automation by December 31, 2011.
- Florida Center for Library Automation by December 31, 2011.

To the NSRC or SSRC

- Agency for Health Care Administration by June 30, 2012.
- Department of Highway Safety and Motor Vehicles by December 31, 2011.

On December 23, 2010, the AEIT submitted its *Recommendation of Non-primary Data Centers for Consolidation into Primary Data Centers by 2019*. This document provided recommendations for the consolidation of all remaining agency data centers and computing facilities.

In 2011, the Legislature codified in statute the recommendations included in AEIT's December 23, 2010, report identifying the agencies required to consolidate into a primary data center within that fiscal year.⁴

¹ 2008-116, Laws of Florida.

² 2008-116, Laws of Florida.

³ *Recommendation of Non-primary Data Centers for Consolidation into Primary Data Centers*. Agency for Enterprise Information Technology, September 30, 2009.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h5509z1.GOAS.DOCX

DATE: April 24, 2012

After the 2011 Regular Session of the Legislature, the Florida Department of Law Enforcement (FDLE) and the Department of Lottery (DOL) notified staff of the House Appropriations Committee that significant issues existed that would prohibit the consolidation of their agency data centers into a primary data center; and therefore, the agencies requested an exemption. The agencies provided documentation required to validate the issues of concern, which included working with the Federal Bureau of Investigations (FBI), in the case of FDLE, and the Multi-State Lottery Association, in the case of DOL. An example of one such issue of concern included FDLE's requirement to comply with the FBI policy that mandates FDLE to maintain management control over its entire data center infrastructure that transports and stores criminal justice data and information.

Additionally, s. 282.0041, F.S., defines "agency" to have the same meaning as in s. 216.011(1)(qq), F.S. The definition of "agency" in s. 216.011(1)(qq), F.S., includes for purposes of chapters 215 and 216, state attorneys, public defenders, criminal conflict and civil regional counsel, capital collateral regional counsel, the Florida Clerks of Court Operations Corporation, and the Florida Housing Finance Corporation. These entities are not intended to be included in the state's data center consolidation efforts.

Effect of Changes

The bill amends the agency data center consolidation schedule as follows:

To the NSRC

- Department of Highway Safety and Motor Vehicles' Office of Motor Carrier Compliance by July 1, 2012.
- Department of Highway Safety and Motor Vehicles by August 31, 2012.
- Department of Health's Test and Development Lab and all remaining data center resources located at the Capital Circle Office Complex by December 31, 2012.
- Department of Veterans' Affairs by July 1, 2013.
- Department of Legal Affairs by December 31, 2013.
- Department of Agriculture and Consumer Services' Agriculture Management Information Center in the Mayo Building and the Division of Licensing by March 31, 2014.

To the SSRC

- Fish and Wildlife Conservation Commission, except of the commission's Fish and Wildlife Research Institute in St. Petersburg, by July 1, 2013.
- Department of Economic Opportunity by October 31, 2013.
- Executive Office of the Governor, to include the Division of Emergency Management except for the Emergency Operation Center's management system in Tallahassee and the Camp Blanding Emergency Operations Center in Starke, by December 31, 2013.
- Department of Elderly Affairs by March 31, 2014.

To the NWRDC

- Department of Revenue's Carlton Building and Imaging Center locations by September 30, 2012.

The bill exempts the following from data center consolidation:

- Florida Department of Law Enforcement
- Department of Lottery's Gaming System and the department's Backup Data Center in Orlando
- Systems Design and Development in the Office of Policy and Budget
- State Board of Administration⁵
- State Attorneys
- Public Defenders

⁴ 2011-50, Laws of Florida.

⁵ Since the State Board of Administration's operating budget is not appropriated in the General Appropriations Act, it is not included in data center consolidation.

- Criminal Conflict and Civil Regional Counsel
- Capital Collateral Regional Counsel
- Florida Clerks of Court Operations Corporation
- Florida Housing Finance Corporation

The bill amends the date that the Department of Financial Services must consolidate from Fiscal Year 2013-2014 to Fiscal Year 2015-2016.

And finally, the bill requires that each agency identified for consolidation into a primary data center must submit with its respective legislative budget request the specific recurring and nonrecurring budget adjustments of resources by appropriation category into the appropriate data processing category pursuant to the legislative budget request instructions in s. 216.023.

Primary Data Centers

Present Situation

In 2009 the Legislature established a primary data center as a part of the state data center system.⁶ As required by s. 282.203, F.S., a primary data center is required to perform several duties, to include providing transparent financial statements to customer entities, the center's board of trustees, and the AEIT.

Additionally, a primary data center was authorized to enter into a memorandum of understanding with the agency where the center was administratively located for the provision of administrative services.

Effect of Changes

The bill amends the duties of a primary data center to include three new duties:

- Requiring a primary data center to provide to each agency head by September 1 the projected costs to provide data center services for the next fiscal year.
- Providing a plan for consideration by the Legislative Budget Commission if the governing body of a data center approves the use of a billing rate schedule after the start of the fiscal year that increases any state agency's cost for that fiscal year.
- Requiring that any administrative overhead costs charged by the agency providing administrative services to the SSRC and NSRC must be appropriated by a specific appropriation in the General Appropriations Act.

Transition Plans

Present Situation

The Fiscal Years 2009-2010 and 2010-2011 General Appropriations Act directed the submission of transition plans for both the agencies identified for consolidation and the primary data centers identified to receive the consolidations; based on requirements established by the AEIT. For the agency transition plans, proviso in Fiscal Year 2010-2011 General Appropriations Act required agencies to include:

- Inventory of all resources;
- Description of resources proposed to remain at the agency;
- Budget, full-time personnel, and contracted services associated with the cost of the agency's current computing services;
- Necessary budget adjustments required to accomplish the transfer of computing resources; and
- Timetable with significant milestones for completion of the relocation.

⁶ 2008-116, Laws of Florida.

Additionally, the Fiscal Years 2009-2010 and 2010-2011 General Appropriations Acts required the primary data centers to develop and submit a transition plan for absorbing the transfer of customer agency data center resources into their centers. Primary data center transition plans were required to describe and make recommendations relating to issues which need to be resolved to accomplish the transfer.

In 2011 the Legislature codified in statute⁷ the requirement for the development and submission of:

- *Agency transition plans.* Requires plans to be submitted to the AEIT by September 1 of the fiscal year before the fiscal year of the agency's scheduled consolidation and identifies the required components of the plan.
- *Primary data center transition plans.* Requires plans to be submitted to the AEIT, Executive Office of the Governor, and the chairs of the legislative appropriations committees by September 30 of the fiscal year before the fiscal year of the scheduled consolidation and identifies the required components of the plan.
- *Comprehensive transition plan.* Requires the AEIT to develop a comprehensive plan that must be submitted by October 15 of the fiscal year before the scheduled consolidations to the Governor and the chairs of the legislative appropriations committees. The comprehensive transition plan must be developed in consultation with the agencies submitting the agency transition plans and the affected primary data center. The required components of the comprehensive transition plan are also identified.

Effect of Changes

The bill amends the required transition plans as follows:

- *Agency transition plans.* Requires plans to be submitted to the appropriate primary data center by July 1 of the fiscal year before the agency's scheduled consolidation and amends the required components of the plan.
- *Primary data center transitions plans.* Requires plans to be submitted to the AEIT, the Executive Office of the Governor, and the chairs of the legislative appropriations committees by September 1 of the fiscal year before the scheduled consolidation.
- *Comprehensive transition plan.* Eliminates the requirement for AEIT to submit a comprehensive plan.

And finally, the bill eliminates the requirement that agencies submit certain agency data center information to the AEIT as the information is a component of the agency's transition plan.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None
2. Expenditures: See Fiscal Comments

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None

⁷ 2011-50, Laws of Florida.

2. Expenditures: None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None

D. FISCAL COMMENTS:

The bill amends the agency data center consolidation schedule for Fiscal Year 2012-2013, which conforms to the Fiscal Year 2012-2013 General Appropriations Act, by making a number of statewide adjustments to appropriations in the various agencies impacted by data center consolidation. These statewide adjustments increased General Revenue by \$1.9 million and decreased trust funds by \$400,998; for a net increase of \$1.54 million.

Adjustments by department/agency for proposed FY 2012-13 Data Center Consolidation

DEPARTMENT	GENERAL REVENUE	ALL TRUST FUNDS
AGENCY/HEALTH CARE ADMIN		\$50,116
AGENCY/PERSONS WITH DISABL	(\$74,309)	(\$467,907)
BUSINESS/PROFESSIONAL REG		(\$408,956)
CHILDREN & FAMILY SERVICES	(\$7,096)	\$2,372,391
CITRUS, DEPT OF		(\$34,686)
CORRECTIONS, DEPT OF	\$1,762,545	
ECONOMIC OPPORTUNITY		\$855,948
EDUCATION, DEPT OF	(\$96,316)	(\$114,018)
ENVIR PROTECTION, DEPT OF		\$179,204
FINANCIAL SERVICES		(\$2,024)
FISH/WILDLIFE CONSERV COMM		(\$9,612)
GOVERNOR, EXECUTIVE OFFICE	(\$72,923)	(\$38,867)
HEALTH, DEPT OF		\$34,367
HIWAY SAFETY/MTR VEH, DEPT		(\$796,996)
JUSTICE ADMINISTRATION	(\$2,699)	
JUVENILE JUSTICE, DEPT OF	(\$175,011)	
MANAGEMENT SRVCS, DEPT OF	(\$4,239)	(\$1,196,196)
MILITARY AFFAIRS, DEPT OF	(\$578)	
PUBLIC SERVICE COMMISSION		(\$15,953)
REVENUE, DEPARTMENT OF	\$369,899	(\$96,010)
STATE, DEPT OF	\$230,327	
TRANSPORTATION, DEPT OF		(\$711,799)
UNIVERSITIES, DIVISION OF	(\$52)	
VETERANS' AFFAIRS, DEPT OF	\$9,984	
Grand Total	\$1,939,532	(\$400,998) NET: \$1,538,534

The increase for the Department of Corrections is based on annualizing prior year's indirect costs and incorporating projected data center costs for Fiscal Year 2012-2013.

The bill requires the AEIT to develop standards for hardware and operations software for the primary data centers. Such standardization could result in future savings.

Additionally, the bill requires a primary data center to submit a plan for consideration by the Legislative Budget Commission if the center's board of trustees approves a change to the billing rate schedule after the start of Fiscal Year 2012-2013 that increases any state agency's costs for the fiscal year.