

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: SB 1762

INTRODUCER: Governmental Oversight and Accountability Committee

SUBJECT: State Information Technology

DATE: March 7, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	McVaney		go SPB7024 as introduced
2.				
3.				
4.				
5.				
6.				

I. Summary:

SB 1762 substantially revises how the state organizes and operates its information technology resources. The bill creates a Department of State Technology (DST) as an executive agency under the Governor. The defunct Agency for Enterprise Information Technology is abolished by the bill, and all of its duties, and all technology and telecommunications duties of the Department of Management Services, are transferred to the DST. The DST is given extensive authority to set state technology policy, and manage state enterprise IT services and procurements. The Northwood and Southwood shared resource centers are transferred to the DST.

This bill substantially amends the following sections of the Florida Statutes: 14.204, 282.0041, 282.0055, 282.0056, 282.0057, 282.203, 282.206, 282.318, 282.604, 282.703, 20.22, 110.205, 215.22, 215.322, 215.96, 216.292, 287.012, 287.057, 318.18, 320.0802, 328.72, 364.0135, 365.171, 365.172, 365.173, 365.174, 401.013, 401.015, 401.018, 401.021, 401.024, 401.027, 445.011, 445.045, 668.50, and 1006.73

This bill repeals the following sections of the Florida Statutes: 282.204, 282.205, 282.33, and 282.34.

The bill creates sections 282.0057 and 282.206 of the Florida Statutes.

II. Present Situation:

Agency for Enterprise Information Technology

Duties

In 2007 the Legislature created the Agency for Enterprise Information Technology (AEIT) to oversee policies for the design, planning, project management, and implementation of enterprise information technology services, to include information technology security.¹ The AEIT is administratively housed within the Executive Office of the Governor, with the Governor and Cabinet as the head of the agency.

The AEIT is required to²:

- Submit an annual work plan for approval by the Governor and Cabinet.
- Monitor the implementation, delivery, and management of the enterprise information technology services established in law.
- Make recommendations to the agency head and Legislature concerning other information technology services that should be designed, delivered, and managed as enterprise information technology services.
- Plan and establish policies for managing proposed statutorily authorized enterprise information technology services.
- Biennially publish a long-term strategic enterprise information technology plan.
- Perform duties related to enterprise information technology services including the state data center system, information technology security, and the statewide e-mail service.
- Coordinate with the Division of Purchasing in the Department of Management Services on the planning and acquisition of information technology products and work with the division in the establishment of best practices for procuring such products.
- Develop information technology standards.
- Submit a comprehensive transition plan for the consolidation of agency data centers into a primary data center.
- Annually provide the Legislature with recommendations for consolidating the purchase of information technology commodities and contractual services.

In 2008, specific duties and responsibilities pertaining to information technology security were assigned to the AEI,³ but the Office of Information Security was still housed within the Department of Management Services (DMS). In 2009 the Office of Information Security was created within the AEIT,⁴ and 8 full-time equivalents (FTE) were transferred from the DMS budget to the AEIT in the Fiscal Year 2009-2010 General Appropriations Act.

¹ 2007-105, Laws of Florida.

² Section 14.204, Florida Statutes.

³ 2008-116, Laws of Florida.

⁴ 2009-80, Laws of Florida.

Administrative Rules

The AEIT was authorized to adopt rules to carry out its statutory duties⁵ and to specifically adopt rules relating to:

- Information security;⁶ and
- State data center system.⁷

The AEIT adopted 34 administrative rules under the following chapters:

- Chapter 71-1, Florida Administrative Code, *Confirmation and Delegation of Authority*, effective July 13, 2009.
- Chapter 71A-1, Florida Administrative Code, *Florida Information Technology Resource Security Policies and Standards*, effective November 15, 2010.
- Chapter 71A-2, Florida Administrative Code, *Florida Information Resource Security Policies and Standards*, effective August 10, 2004.

The AEIT initiated, but never completed, the rule adoption process for the following two sets of rules:

- Chapter 71B-1, Florida Administrative Code, *Enterprise E-mail Service*.
- Chapter 71B-2, Florida Administrative Code, *Data Center System*.

Defunding the AEIT

In 2012, the Governor vetoed HB 5011, which abolished the AEIT and gave some of its duties to a new agency created in the bill. Because the bill also transferred the salary and positions from the AEIT to the new agency, the effect of the veto was to defund the AEIT, though its duties still exist in statute.

Primary Data Centers and Data Center Consolidation

The state data center system was created by the Legislature in 2008.⁸ The system is composed of primary data centers (Southwood Shared Resource Center, Northwood Shared Resource Center, and the Northwest Regional Data Center), other nonprimary data centers, and computing facilities serving state agencies. A “primary data center” is a data center that is a recipient entity for consolidation of nonprimary data centers and computing facilities and that is established by law.⁹ A “computing facility” is an agency space containing fewer than 10 servers, any of which supports a strategic or nonstrategic information technology service, as described in budget instructions developed pursuant to s. 216.023, F.S., but excludes single-server installations that exclusively perform a utility function such as file and print servers.¹⁰ The AEIT is responsible for developing policies for the system.¹¹

Wave 1 of data center consolidation was initiated in 2009 with proviso included in the fiscal year 2009-2010 General Appropriations Act that required the:

⁵ Section 14.204(7), F.S.

⁶ Section 282.318(6), F.S.

⁷ Section 282.201(2)(e), F.S.

⁸ Chapter 2008-116, L.O.F.

⁹ Section 282.0041(17), F.S.

¹⁰ Section 282.0041(7), F.S.

¹¹ Section 282.201(2), F.S.

- 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.

By October 1 of each year beginning in 2009, the AEIT is required to recommend to the Governor and Legislature at least two agency data centers or computing facilities for consolidation into a primary data center.¹² AEIT submitted its recommendations on September 30, 2009,¹³ for the Wave 2 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 provides recommendations for the consolidation of the remaining agency data centers and computing facilities after Wave 2. 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.¹⁴

In 2012, the Legislature amended the data center consolidation schedule as follows:¹⁵

To the NSRC

- Department of Highway Safety and Motor Vehicles' Office of Motor Carrier Compliance by July 1, 2012.

¹² s. 282.201(2), F.S.

¹³ *Recommendation of Non-primary Data Centers for Consolidation into Primary Data Centers*. Agency for Enterprise Information Technology, September 30, 2009.

¹⁴ Chapter 2011-50, L.O.F.

¹⁵ Chapter 2012-142, L.O.F.

- 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 for 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 following entities are exempted 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 Administration
- State Attorneys
- Public Defenders
- Criminal Conflict and Civil Regional Counsel
- Capital Collateral Regional Counsel
- Florida Clerks of Court Operations Corporation
- Florida Housing Finance Corporation

The Department of Financial Services must consolidate in Fiscal Year 2015-2016.

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, F.S.

The Technology Program in the Department of Management Services

The Technology Program in DMS provides both wired and wireless telecommunications and information services to state agencies, cities, counties and other public entities; and plans, coordinates, and fosters public safety telecommunications throughout the state at all levels of

government.¹⁶ The technology program provides services in two primary areas. Public Safety Communications manages, oversees, coordinates, and updates statewide public safety communications at all levels of government, including updating the public-private Statewide Law Enforcement Radio System (SLERS), Florida Interoperability Network (FIN), and the enhanced statewide Florida Emergency Communications Numbers E911; coordinating with Local Public Safety Radio Services and Emergency Medical Services (EMS) radio communications; and coordinating the state's Emergency Support Function-Communications response to emergencies and disasters for the state's Emergency Operations Center. Statewide Telecommunications provides all methods of statewide communications planning and services; including voice, data, video, image, and radio services to state agencies, subdivisions of the state, municipalities, state universities, and nonprofit corporations through the SUNCOM Network. All state agencies are required to use the SUNCOM Network for their communications services. Telecommunications Services has a budget of \$256.5 million and 72 FTE; Wireless Services has a budget of \$32.9 million and 12 FTE.

The Financial Management Information System Act¹⁷

The Florida Financial Management Information System (FFMIS) Act, authorized in ss. 215.90 through 215.96, F.S., was established to plan, implement, and manage a unified information system which provides fiscal, management, and accounting information. The FFMIS Act established the Florida Management Information Board (FMIB) and the FFMIS Coordinating Council. The FMIB is comprised of the Governor and Cabinet and has overall responsibility for managing and overseeing the development of Florida Financial Management Information System pursuant to s. 215.95, F.S., including establishing financial management policies and procedures for executive branch agencies. The Council is comprised of the members of the Cabinet, the secretary of the Department of Management Services, and the director of the Governor's Office of Policy and Budget. Among other duties, the Council is to approve all FFMIS subsystem designs and modifications prior to implementation and to make recommendations to the FMIB on policy alternatives to ensure coordination between the subsystems as defined in ss. 215.93 and 215.96, F. S.

There are five FFMIS subsystems which must be designed, implemented, and operated pursuant to the act. Each has a statutorily-identified functional owner as well as additional statutory requirements as follows:

- Planning and Budgeting – The Executive Office of the Governor is the functional owner. The system must also be designed, implemented, and operated pursuant to ch. 216, F.S.
- Florida Accounting Information Resource (FLAIR) – The Department of Financial Services is the functional owner. The system must also be designed, implemented, and operated pursuant to ss. 17.03, 215.86, 216.141, and 216.151, F.S.
- Cash Management System (CMS) – The Chief Financial Officer is the functional owner.
- Purchasing (MyFloridaMarketplace) – The Department of Management Services is the functional owner.

¹⁶ All of the information in this section was obtained from a Government Program Summary by the Florida Legislature's Office of Program Policy Analysis and Government Accountability, available at <http://www.oppage.state.fl.us/profiles/4134/> (last visited on March 3, 2013).

¹⁷ All the information in this section comes from Florida Senate Issue Brief 2009-321, *Florida Financial Management Information System (FFMIS) Act*, pp. 2-3.

- Personnel Information (PeopleFirst) – The Department of Management Services is the functional owner. The system must also be designed, implemented, and operated pursuant to s. 110.116, F. S.

The FFMIS Act identifies each subsystem's general functional requirements but allows each functional owner to establish additional functions unless they are specifically prohibited by the FFMIS Act. Functional owners may not establish or maintain additional subsystems which duplicate any of the FFMIS subsystems.

The FMIB approved a strategic plan on March 14, 2000, that authorized the replacement of the FFMIS subsystems with an enterprise-wide financial management system that integrates financial information and standardizes policies and information. This system has never been implemented. The FMIB has not made any decisions relating to policy or the FFMIS subsystems since February 2001 when it modified the strategic plan to allow the use of outsourcing as a means to replace or enhance the functionality of the FFMIS subsystems. No subsystem designs or modifications have been brought to the FMIB for review or approval since that time. As a result, the overall governance and management of each FFMIS subsystem has been "unofficially delegated" to each functional owner and each functional owner has autonomously pursued an independent path for development and enhancement of its subsystem. The FMIB has been inactive since February 2005.

Method of Reorganization for the Executive Branch

Pursuant to s. 20.06, F.S., the executive branch of state government must be reorganized by transferring the specified agencies, programs, and functions to other specified departments, commissions, or offices. Such a transfer does not affect the validity of any judicial or administrative proceeding pending on the day of the transfer, and any agency or department to which are transferred the powers, duties, and functions relating to the pending proceeding must be substituted as a party in interest for the proceeding.

A type one transfer is the transferring intact of an existing agency or department so that the agency or department becomes a unit of another agency or a department. Any agency or department transferred to another agency or department by a type one transfer will exercise its powers, duties, and functions as prescribed by law, subject to review and approval by, and under the direct supervision of, the head of the agency or department to which the transfer is made, unless otherwise provided by law. Any agency or department transferred by a type one transfer has all its statutory powers, duties, and functions, and its records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, transferred to the agency or department to which it is transferred. Unless otherwise provided by law, the administrative rules of any agency or department involved in the transfer which are in effect immediately before the transfer remain in effect until specifically changed in the manner provided by law.

A type two transfer is the merging into another agency or department of an existing agency or department or a program, activity, or function thereof or, if certain identifiable units or subunits, programs, activities, or functions are removed from the existing agency or department, or are abolished, it is the merging into an agency or department of the

existing agency or department with the certain identifiable units or subunits, programs, activities, or functions removed therefrom or abolished. Any agency or department or a program, activity, or function transferred by a type two transfer has all its statutory powers, duties, and functions, and its records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, except those transferred elsewhere or abolished, transferred to the agency or department to which it is transferred, unless otherwise provided. Unless otherwise provided, the head of the agency or department to which an existing agency or department or a program, activity, or function thereof is transferred is authorized to establish units or subunits to which the agency or department is assigned, and to assign administrative authority for identifiable programs, activities, or functions. Unless otherwise provided, the administrative rules of any agency or department involved in the transfer which are in effect immediately before the transfer remain in effect until specifically changed in the manner provided by law.

III. Effect of Proposed Changes:

Section 1 creates the Department of State Technology (DST) in s. 20.61, F.S., as an executive agency under the Governor. The DST must develop, implement, and manage state enterprise information technology services. The secretary of the department, who will be the state's Chief Information Officer (CIO), must be appointed by the Governor, and confirmed by the Senate.

The bill creates a Technology Advisory Council to make recommendations to the secretary on enterprise information technology policy and standards.

The bill specifies the divisions within the DST, and names various officials who serve at the pleasure of the Secretary, and specifies deputy technology officers who are responsible for core agency groups as follows:

Deputy Information Officer of Human Services, to include:

- Department of Elder Affairs.
- Agency for Health Care Administration.
- Agency for Persons with Disabilities.
- Department of Children and Families.
- Department of Health.
- Department of Veterans' Affairs.

Deputy Information Officer of Criminal and Civil Justice, to include:

- Department of Juvenile Justice.
- Parole Commission.
- Department of Corrections.
- Board of Clemency.
- Department of Law Enforcement.
- Department of Highway Safety and Motor Vehicles.

Deputy Information Officer of Education, to include the:

- Department of Education.

- State Board of Education.
- Board of Governors.

Deputy Information Officer of Business Operations, to include:

- Department of Revenue.
- Department of Business and Professional Regulation.
- Department of the Lottery.
- Department of Economic Opportunity.

Deputy Information Officer of Community Services, to include:

- Department of Military Affairs.
- Department of Transportation.
- Department of State.
- Department of Emergency Management.

Deputy Information Officer of Natural Resources, to include:

- Department of Environmental Protection.
- Department of Fish and Wildlife.
- Department of Citrus.

Deputy Information Officer of Executive and Administrative Support Service, to include:

- The Department of Financial Services.
- The Department of Management Services.
- The Department of Legal Affairs (DLA).
- The Department of Agriculture and Consumer Services (DACCS).

The bill permits the DST to obtain administrative services from the DMS.

Section 2 amends s. 282.0041, F.S., by modifying, adding, and deleting some definitions, and changing references from the AEIT to the DST.

Section 3 amends s. 282.0055, F.S., to require the DST to design, plan, develop, implement, and manage state enterprise information technology (IT) services, and biennially develop a long-range plan for state IT resources

Specific duties and functions of the DST are as follows:

- Setting state technology policy.
- Development, design, planning, and management of enterprise IT services.
- Establishing architecture for the state's technology infrastructure.
- Preparing fiscal impact statements relating to necessary modifications and the delivery of technology to support policies required by proposed legislation.
- Coordinating technology resource acquisition planning.
- Advise and collaborate with DMS in procurement negotiations for IT products that will be used by multiple state agencies, upon request.

- Advise and collaborate with DMS in establishing best practices for the procurement of IT products, upon request.
- Providing oversight or project management for all technology resources for projects exceeding an annual investment of \$2.5 million.
- Establishing performance measurement standards and metrics for technology projects.
- Establishing standards for state agencies to submit information technology reports.
- Establishing and collecting fees and charges for data and delivery of enterprise information technology services to state agencies on a cost-sharing basis.
- Developing a cost recovery plan.
- At its discretion, collecting and maintaining an inventory of state agency IT resources.
- Assuming ownership or custody and control of information processing equipment, supplies, and positions.
- Adopting rules and policies for the efficient, secure, and economical management and operation of enterprise IT services.
- Providing other public sector organizations with access to the services provided by the agency on the same cost basis as applies to state agencies.
- Establishing statewide practices and policies to ensure that exempt or confidential data remains protected.
- Conducting periodic assessments of state agencies for compliance with statewide IT policies and making recommendations.
- Establishing and maintaining a single website to host the Transparency Florida information required by s. 215.985, F.S.
- Maintaining the official internet state portal.

Section 4 amends s. 282.0056, F.S., to change terminology to reflect the transfer of technology duties from AEIT to the DST in the development of an annual work plan.

Section 5 creates s. 282.0057, F.S., specifying a series of duties for the DST and state agencies, phased in over three years.

Beginning January 1, 2015, the DST must:

- Publish a report on its current and planned information technology expenditures, and a funding schedule for all major projects or initiatives, including cost estimates.
- Coordinate state agencies in implementing data sharing, and standardize data elements.
- Include in its legislative budget requests a recommendation for consolidating state agency data to provide better access.
- Oversee the expanded use and implementation of project and contract management principles as they relate to information technology projects.

Beginning January 1, 2016, the DST must:

- Develop systems and methodologies to evaluate and prioritize existing IT projects and a plan for leveraging technology across state agencies. The DST must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, or the Board the status of information technology projects and the agency's recommendations for project development on a semi-annual basis. Such recommendations must be incorporated into the state agencies legislative budget requests for technology projects.

- Develop standards for application development.

Beginning January 1, 2018, the DST must review and approve technology purchases made by state agencies. Approval must be based on technology policies and standards established by the department and approved by the Legislature.

Section 6 amends s. 282.203, F.S., to change duties relating to the primary data centers from the AEIT to the DST. The primary data centers will be operated pursuant to this section until the DST takes over operations of the primary data centers on January 1, 2014, when s. 282.203, F.S., expires.

Sections 7 and 8 repeal ss. 282.204 and 282.205, F.S., which create the Northwood Shared Resource Center and the Southwood Shared Resource center.

Section 9 creates s. 282.206, F.S., to establish the Fletcher Shared Resource Center (Fletcher SRC) within the Department of Financial Services (DFS). The Fletcher SRC must collaborate with the DST to develop policies, procedures, and rules for the delivery of enterprise IT services. The Fletcher SRC must provide co-location services to the Department of Legal Affairs, provide full service to the Office of Financial Regulation and the Office of Insurance Regulation, and provide co-location services to host the legislative Appropriations System/Planning and Budgeting Subsystem (LAS/PBS).

The Fletcher SRC must be governed by a memorandum of understanding administered by a steering committee consisting of the chief information officers of the customer entities residing in the center.

The bill permits, but does not require, the DLA and the DACS to move its data center equipment to the Fletcher SRC.

Section 10 amends s. 282.318, F.S., to make terminology changes.

Sections 11 and 12 repeal ss. 282.33 and 282.34, F.S., relating to energy efficiency standards for data centers, and the implementation of a statewide email service.

Sections 13 through 15 amend ss. 282.604, 282.702, and 282.703, F.S., respectively, to make terminology changes.

Section 16 amends s. 20.22, F.S., to remove the technology program from the organizational structure of the DMS.

Sections 17 through 19 amend ss. 110.205, 215.22, and 215.322, F.S., respectively, to make terminology changes.

Section 20 amends s. 215.96, F.S., to add the Secretary of the DST to the coordinating council of the Financial Management Information Board.

Section 21 amends s. 216.292, F.S., to make a terminology change to reflect the transfer of technology duties from the DMS to the DST.

Section 22 amends s. 287.012, F.S., to specify a definition for the term “information technology.”

Sections 23 through 39 amend ss. 287.057, 318.18, 320.0802, 328.72, 364.0135, 365.171, 365.172, 365.173, 365.174, 401.013, 401.015, 401.018, 401.021, 401.024, 401.027, 445.011, 445.045, and 668.50, F.S., respectively, to change terminology to reflect the transfer of technology duties from the AEIT and the DMS to the DST.

Section 41 transfers all the powers, duties, functions, funds, rules, and contracts of the AEIT by type one transfer to the DST.

Section 42 transfers all the following powers, duties, functions, funds, rules, and contracts of the DMS by type one transfer to the DST, effective January 1, 2014:

- The technology program established under s. 20.22(2), F.S.
- Part II of Chapter 282, F.S., relating to accessibility of electronic information and IT for people with disabilities.
- Part III of Chapter 282, F.S., relating to the state communications network, the SUNCOM network, and the law enforcement radio system and interoperability network.
- Section 364.0135, F.S., relating to broadband Internet service.
- Sections 365.171-365.175, F. S., relating to emergency communications number E911.
- Part I of Chapter 401, F.S., relating to a statewide system of regional emergency medical telecommunications.

The following trust funds are transferred by type one transfer from the DMS to the DST:

- The Communications Working Capital Trust Fund.
- The Emergency Communications Number E911 System Fund.
- The State Agency Law Enforcement Radio System Trust Fund.
- Federal Grants Trust Fund

Unexpended balances of the DMS relating to the transferred duties are also transferred; lawful orders remain in effect; contracts remain in effect; rules remain in effect; and DST will be substituted as a party in interest for actions in which DMS is a party.

The Northwood and Southwood Shared Resource centers are transferred by type one transfers from the DMS to the DST, as are their contracts and rules.

Section 43 provides a 2013-2014 fiscal year appropriation of \$2,865,108 in recurring general revenue funds, \$2,134,892 in nonrecurring general revenue funds, and 24 full time equivalent positions with associated salary rate of \$2,010,951 are appropriated to the DST.

Except as otherwise provided, the bill takes effect July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill provides a 2013-2014 fiscal year appropriation of \$2,865,108 in recurring general revenue funds, \$2,134,892 in nonrecurring general revenue funds, and 24 full time equivalent positions with associated salary rate of \$2,010,951 are appropriated to the DST.

Department of Management Services Administrative Costs

Currently, the Division of Telecommunications is a budget entity within the Department of Management Services. As such, DMS imposes an administrative assessment on the division to cover a portion of the costs of the department's executive direction budget entity. For FY 2012-13, this administrative assessment is roughly \$1.3 million. Likewise, the Southwood Shared Resource Center and the Northwood Shared Resource Center are assessed charges for the services they receive from the department. The assessments paid by the centers in the current year are roughly \$100,000. The table below shows the amounts of funds assessed to each of these budget entities to cover a portion of the department's administrative costs.

With the transfers of the Division of Telecommunications and the shared resource centers to the DST, the DMS will have to either (a) reduce the current FTE levels; (b) shift the assessments to other divisions and units remaining in the department; or (c) a combination of reductions and shifts.

The bill grants the Department of State Technology the authority to contract with the DMS for administrative functions. If the DST contracts with the DMS for administrative services, the loss of the administrative assessment revenues may be mitigated. However, those administrative functions are most likely will not include the functions currently fulfilled by the Office of the Secretary (i.e., communications, general counsel, inspector general, legislative affairs).

Executive Direction and Support Services Budget Entity Cost Pools	Department -wide Assessment	Current FTE	Div. of Telecom.	Southwood SRC	Northwood SRC	Total
Office of the Secretary						
Office of the Secretary	821,629	6	109,987			109,987
Information Technology	689,779	5	92,337			92,337
Communications	236,792	3	31,699			31,699
General Counsel	1,283,980	14	73,228			73,228
Inspector General	715,517	7	88,187	28,365	28,385	144,917
Legislative Affairs	238,919	2	31,984			31,984
Sub-total	3,986,616	37	427,422	28,365	28,385	484,152
Executive Direction and Support Services Budget Entity Cost Pools	Department -wide Assessment	Current FTE	Div. of Telecom.	Southwood SRC	Northwood SRC	Total
Administration						
Admin Dir./Budget Office/ Fiscal Integrity	769,965	6	104,359			104,359
Financial Management Services	1,218,235	19	676,866	56,729		733,595
Human Resources	354,693	4	38,669			38,669
Mail Room Operations	113,424	0	11,942			11,942
Departmental Purchasing	437,332	5	65,420			65,420
Sub-total	2,893,649	34	897,256			953,985
Total	6,880,265	71	1,324,678	85,094	28,365	1,438,137

VI. Technical Deficiencies:

None.

VII. Related Issues:

The DST is created as an independent department; it is unclear why the DST would need to obtain administrative services from the DMS.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
