

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 5401 PCB GOAS 14-04 SUNCOM Services
SPONSOR(S): Government Operations Appropriations Subcommittee, Ingram
TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|-----------|---------|--|
| Orig. Comm.: Government Operations Appropriations Subcommittee | 13 Y, 0 N | White | Topp |
| 1) Appropriations Committee | 24 Y, 1 N | White | Leznoff |

SUMMARY ANALYSIS

The bill amends the duties of the Department of Management Services (DMS) by requiring the department to design, engineer, implement, manage, and operate the Florida Information Resource Network (FIRN) that is established in s. 1001.271, F.S. For the school districts that utilize FIRN, the DMS is also required to submit the appropriate federal forms for receiving federal universal service support funds (commonly referred to as E-rate funds) available through the Schools and Libraries Program that is administered by the Universal Service Administrative Company of the Federal Communications Commission.

The bill requires the DMS to develop and make publicly available on its website an interactive geographical information system map that will monitor each school district's deployment of FIRN. Beginning January 1, 2015, the DMS must provide quarterly reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the implementation of FIRN within each school district.

The bill also clarifies that the SUNCOM Network is the enterprise data transport service of the state and that the DMS is specifically required to establish a network security perimeter for this network. The network security perimeter will provide for intrusion detection and prevention by unauthorized entities or applications.

The proposed House 2014-2015 Fiscal Year General Appropriations Act provides \$507,994 in recurring and \$19,360 in nonrecurring funds to the Department of Management Services and five full-time equivalent positions that are necessary for the department to (1) implement and manage the Florida Information Resource Network (FIRN); (2) work with each school district in the submission of the appropriate federal forms requesting E-rate funding; and (3) develop, implement, and maintain the interactive geographical information system map. Additionally, the proposed House budget includes approximately \$53.7 million in budget authority in the Department of Management Services' Special Categories - Florida Information Resource Network/District Bandwidth Support necessary to implement the FIRN pursuant to s. 1001.271, F.S.

The bill is effective July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Florida Information Resource Network

Current Situation

The Florida Information Resource Network (FIRN) was created in the early 1980s to electronically link the state's public education entities to computing resources. FIRN's purpose was to provide equal access to computing resources for all public education entities, to enable the exchange of information among these entities, and to transmit administrative data to the Department of Education (DOE) in a timely manner.¹ FIRN was established within the Department of Education and over the years, its services expanded from providing a way to transmit administrative and student information to providing e-mail and connections to the Internet.

To address the challenge of the expanded use of FIRN services, FIRN was outsourced in July 2003. The State Technology Office,² on behalf of the DOE, contracted with a vendor to provide educational network services, including Internet access and data reporting services, to school districts, public postsecondary institutions and libraries. The services provided by the vendor were referred to as FIRN2 since they replaced the former FIRN network that was owned, operated, and maintained by the state. The vendor subcontracted with various telecommunications companies to provide connections to the Internet.³ The FIRN2 contract included a termination date of June 30, 2007; however, the contract also included an option of two one-year renewals which were executed.

The Department of Management Services issued a Request for Proposal No. DMS-08/09-061 for Internet Access and Telecommunications Services, which is the successor service to FIRN2. On January 1, 2009, the department executed a contract for this service. The contract included an expiration date of June 30, 2012, with a renewal option. Amendment 2 of the contract was executed in December 2011 to extend the term of the contract to June 30, 2015.

Since the passage of the federal Telecommunications Act of 1996, universal service funds have been used to fund a significant amount of FIRN's services. This federal act established the Universal Service Administrative Company (USAC), which is an independent, not-for-profit corporation designated by the Federal Communications Commission as the administrator of the Universal Service Fund. USAC collects contributions from telecommunications carriers and administers support programs designed to help communities across the country secure access to affordable telecommunications services.⁴ One such program is the Schools and Libraries Program, commonly referred to as the E-rate program. The primary measure for determining a school's funding support for this program is the percentage of students eligible for free and reduced lunches under the National School Lunch Program.⁵

Beginning in Fiscal Year 2000-2001, FIRN services were supported by state general revenue, educational aids trust fund, and E-rate funds. In a 2006 report issued by the Office of Program Policy Analysis & Government Accountability, it stated that school districts' demand for increased bandwidth and Internet access was exceeding the level of funding provided in the General Appropriations Act.⁶

¹ FIRN 2008 Proviso Report, Recommendations and Options for the Continued Operation of the Florida Information Resource Network; submitted September 15, 2008.

² On July 1, 2005, the information technology functions that were previously performed by the State Technology Office were incorporated into the Department of Management Services' Enterprise Information Technology Services.

³ FIRN 2008 Proviso Report, Recommendations and Options for the Continued Operation of the Florida Information Resource Network; submitted September 15, 2008

⁴ <http://www.usac.org/about/>

⁵ <http://www.usac.org/sl/applicants/step04/alternative-discounts.aspx>

⁶ OPPAGA Report No. 06-36, Users Satisfied with FIRN2; Options Exist for Future Services to Educational Entities.

As such, several school districts needed to purchase additional bandwidth and Internet access from other service providers.

In the Fiscal Year 2008-2009 General Appropriations Act, proviso was included that directed the Commissioner of Education to submit a report that provided recommendations and options for the continued operation and funding of FIRN. The report was submitted on September 15, 2008, and the Commissioner of Education's recommendation was that the Legislature should continue to fund the services provided by FIRN to ensure that public schools receive funds for the sole purpose of purchasing FIRN's Internet services.⁷

The Fiscal Year 2009-2010 General Appropriations Act included each school district's funding for FIRN into the Florida Education Finance Program (FEFP). Additionally, chapter 2009-59, Laws of Florida, created s. 1001.271, F.S., which provided that the Commissioner of Education, upon requisition from school districts, shall purchase the non E-rate portion of their Internet access services and related services. For Fiscal Year 2009-2010, each school district eligible for the E-rate funding was required to submit a requisition to the Commissioner for at least the same level of Internet access services used through the FIRN contract in Fiscal Year 2008-2009.

Effect of Proposed Changes

The bill amends the duties of the Department of Management Services (DMS) to design, engineer, implement, manage, and operate the Florida Information Resource Network (FIRN) pursuant to s. 1001.271, F.S. For those school districts utilizing FIRN, the bill requires the DMS to submit the appropriate federal forms for receiving the federal universal service support funds, commonly referred to as E-rate funds, which are available through the Schools and Libraries Program of the Universal Service Fund administered by the Universal Service Administrative Company.

The bill also requires the DMS to develop and make publicly available on its website an interactive geographical information system map that will monitor the implementation status of FIRN.

SUNCOM Services

Current Situation

The SUNCOM Network, commonly referred to as MyFloridaNet, is established within the Department of Management Services (DMS) as the state enterprise telecommunications system. The DMS is responsible for designing, engineering, implementing, managing, and operating through state ownership, commercial leasing, contracted services, or some combination thereof, the facilities, equipment, and contracts providing SUNCOM Network services.⁸

Current law also requires the DMS to manage and control, but not intercept or interpret, telecommunications within the SUNCOM Network by establishing technical standards to physically interface with the SUNCOM Network.⁹ Although not specifically stated in law, the DMS has identified certain security standards that involve four layers of security for the SUNCOM Network:

- Layer 1 - prevents the unauthorized access of state resources from the public Internet.
- Layer 2 - provides inter-agency access to permit the sharing of information between agencies through common services.
- Layer 3 - provides intra-agency access to connect a single agency's network resources within their own private closed user-group.
- Layer 4 - provides for overall protection from third-party entities attempting to disrupt data traffic on the SUNCOM Network.¹⁰

⁷ FIRN 2008 Proviso Report, Recommendations and Options for the Continued Operation of the Florida Information Resource Network; submitted September 15, 2008.

⁸ Section 282.702, Florida Statutes.

⁹ Section 282.702(12)(a), Florida Statutes.

¹⁰ The Department of Management Services provided information that describes the four layers of security currently in use for the SUNCOM Network.

Effect of Proposed Changes

The bill clarifies that the SUNCOM Network is the enterprise data transport service designed and procured by the DMS to meet the needs of the state and its state agencies. The bill also specifically requires the DMS to establish a network security perimeter for the SUNCOM Network to provide for intrusion detection and prevention by unauthorized entities or applications while also assuring continued operation of the network. This codifies the current DMS operational practice of implementing the safeguards and controls needed to protect the integrity of the SUNCOM Network and to take action to respond to any threats by implementing new mitigation techniques.

B. SECTION DIRECTORY:

Section 1: Amends s. 282.0041, F.S., by amending the existing definitions for “SUNCOM Network” and “Telecommunications” and creating definitions for “Network security perimeter” and “SUNCOM services”.

Section 2: Amends s. 282.702, F.S., by authorizing two additional duties for the Department of Management Services to include the establishment of the network security perimeter and designing, implementing, managing, and operating the Florida Information Resource Network.

Section 3: Amends s. 282.702, F.S., by aligning terminology with changes made in s. 282.0041, F.S.

Section 4: Amends s. 282.704, F.S., by aligning terminology with changes made in s. 282.0041, F.S.

Section 5: Amends s. 282.705, F.S., by aligning terminology with changes made in s. 282.0041, F.S.

Section 6: Amends s. 282.706, F.S., by aligning terminology with changes made in s. 282.0041, F.S.

Section 7: Amends s. 282.707, F.S., by aligning terminology with changes made in s. 282.0041, F.S.

Section 8: Amends s. 282.708, F.S., by aligning terminology with changes made in s. 282.0041, F.S.

Section 9: Provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The proposed House 2014-2015 Fiscal Year General Appropriations Act provides \$507,994 in recurring funds and \$19,360 in nonrecurring funds in the Communications Working Capital Trust Fund to the Department of Management Services and five full-time equivalent positions that are necessary for the department to (1) implement and manage the Florida Information Resource Network (FIRN); (2) work with each school district in the submission of the appropriate federal forms requesting E-rate funding; and (3) develop, implement, and maintain the interactive geographical information system map. Additionally, the proposed House budget includes approximately \$53.7 million in budget authority in the Department of Management Services' Special Categories - Florida Information Resource Network/District Bandwidth Support in the Communications Working Capital Trust Fund necessary to implement the FIRN pursuant to s. 1001.271, F.S.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES