

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 Appropriations Subcommittee on General Government

BILL: CS/SB 1430

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Brandes

SUBJECT: State Technology

DATE: February 23, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Peacock</u>	<u>McVaney</u>	<u>GO</u>	<u>Fav/CS</u>
2.	<u>Wilson</u>	<u>DeLoach</u>	<u>AGG</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1430 establishes a chief data officer within the Agency for State Technology (AST) who must be appointed by the executive director.

The bill amends s. 282.0051, F.S., to expand the AST's duties to include overseeing the transition of various licenses and identification cards to an optional digital proof of the licenses and identification cards for a specified fee and developing standards for the digitization of such licenses and identification cards. The AST is authorized to access all identity, license and identification card data, and other pertinent information within possession of any state agency, commission or department, unless prohibited by federal law, and to adopt rules regarding such access. The AST must also consult with each state agency on various issues relating to commercial cloud computing services.

The Department of Highway Safety and Motor Vehicles (DHSMV), in conjunction with AST, must develop a secure and uniform system for issuing an optional digital proof of driver license. The DHSMV may adopt rules to ensure the valid authentication of digital proof of driver licenses. License or card holders electing to purchase the digital proof of driver license will pay \$5 which shall be deposited into the Highway Safety Operating Trust Fund.

The bill has a significant fiscal impact to state funds. The bill appropriates \$500,000 in nonrecurring funds from the General Revenue Fund to the DHSMV for implementing the optional digital proof driver license pilot program. In addition, as estimated by the 2015 Florida Government Data Feasibility Study directed in ch. 2014-221, AST will require \$320,000 in recurring funds from the General Revenue Fund for the chief data officer position and the

additional duties and responsibilities included in the bill. These resources are not appropriated in the bill.

The effective date of the bill is October 1, 2016.

II. Present Situation:

Agency for State Technology

The Agency for State Technology (AST) was created on July 1, 2014.¹ The executive director of AST is appointed by the Governor and confirmed by the Senate.

For the 2015-2016 fiscal year, the AST is authorized 25 full-time equivalent positions within its Executive Direction and Support Services budget entity. Of those positions, the executive director is required to designate the following:²

- Deputy executive director;
- Chief planning officer and six strategic planning coordinators;
- Chief operations officer;
- Chief information security officer; and
- Chief technology officer.

The duties and responsibilities of the AST include:³

- Developing and publishing information technology (IT) policy for management of the state's IT resources.
- Establishing and publishing IT architecture standards.
- Establishing project management and oversight standards with which state agencies must comply when implementing IT projects.
- Performing project oversight on all state IT projects with total costs of \$10 million or more.
- Identifying opportunities for standardization and consolidation of IT services that support common business functions and operations.
- Establishing best practices for procurement of IT products in collaboration with the Department of Management Services (DMS).
- Participating with the DMS in evaluating, conducting and negotiating competitive solicitations for state term contracts for IT commodities, consultant services, or staff augmentation contractual services.
- Collaborating with the DMS in IT resource acquisition planning.
- Developing standards for IT reports and updates.
- Upon request, assisting state agencies in development of IT related legislative budget requests.
- Conducting annual assessments of state agencies to determine compliance with IT standards and guidelines developed by AST.
- Providing operational management and oversight of the state data center.
- Recommending other IT services that should be designed, delivered, and managed as enterprise IT services.

¹ Chapter 2014-221, Laws of Florida.

² Section 20.61(2), F.S.

³ Section 282.0051, F.S.

- Recommending additional consolidations of agency data centers or computing facilities into the state data center.
- In consultation with state agencies, proposing a methodology for identifying and collecting current and planned IT expenditure data at a state agency level.
- Performing project oversight on any cabinet agency IT project that has a total project cost of \$25 million or more and impacts one or more other agencies.
- Consulting with departments regarding risks and other effects for IT projects implemented by an agency that must be connected to or accommodated by an IT system administered by a cabinet agency.
- Reporting annually to the Governor, the President of the Senate and the Speaker of the House regarding state IT standards or policies that conflict with federal regulations or requirements.

Technology Advisory Council

The Technology Advisory Council,⁴ consisting of seven members, is established within the AST. Four members of the council are appointed by the Governor of which two members must be from the private sector. The President of the Senate and the Speaker of the House of Representatives each appoint one member of the council. The Attorney General, the Commissioner of Agriculture and Consumer Services, and the Chief Financial Officer jointly appoint one member by agreement of a majority of these officers.

The Technology Advisory Council makes recommendations to the Executive Director on enterprise information technology policies, standards, services, and architecture.⁵ The council may also identify and recommend opportunities for the establishment of public-private partnerships when considering technology infrastructure and services in order to accelerate project delivery and provide a source of new or increased project funding.⁶ The Executive Director consults with the council with regards to executing the duties and responsibilities of the agency relating to statewide information technology strategic planning and policy.⁷

Digital Proof of Driver License

In 2014, the Legislature enacted s. 322.032, F.S.,⁸ requiring the Department of Highway Safety and Motor Vehicles (DHSMV) to prepare for the development of an optional digital proof of driver license in a format that allows law enforcement to verify the authenticity of the digital proof.

Section 322.059, F.S., requires that any person whose driver license or registration has been suspended must return that driver license immediately to the DHSMV. If he or she fails to return the license or registration, a law enforcement agent may seize the driver license. This section further provides that the DHSMV shall invalidate the digital proof of driver license for such person whose driver license is suspended.

Section 322.15, F.S., requires that every licensee must have his or her driver license in his or her possession at all times while operating a motor vehicle and shall display that license upon

⁴ Section 20.61(3), F.S.

⁵ Section 20.61(3)(a), F.S.

⁶ *Id.*

⁷ Section 20.61(3)(b), F.S.

⁸ Chapter 2014-216, s. 27, Laws of Fla.

demand of a law enforcement officer or an authorized representative of the DHSMV. Also, this section allows a licensee to present or submit a digital proof of driver license in lieu of a physical driver license.

A person who possesses a false digital proof of driver license commits a second degree misdemeanor punishable by imprisonment not to exceed 60 days.⁹

III. Effect of Proposed Changes:

Section 1 amends s. 20.61, F.S., to establish a chief data officer position within the Agency for State Technology (AST).

Section 2 amends s. 282.0051, F.S., to expand the powers, duties, and functions of the AST to include:

- Overseeing the transition of licenses and identification cards to digital proof of licenses and identification cards to be issued by state agencies, commissions, and departments at the option of licenseholders and cardholders upon payment of a \$5 fee.
- Developing standards for the digitization of individual types of licenses and identification cards when digital proofs of those licenses and identification cards are authorized by law.
- Developing a central digital platform that can store or access data for each type of digital proof of license and identification card.
- Contracting with a third party to assist in the fulfillment of the requirements for a digital proof of license or identification card.
- Authorizing full access to all identity data, license and identification card data, and other pertinent information within the possession of any state agency, commission, or department unless otherwise prohibited by federal law.
- Consulting with each state agency on the development of the agency's legislative budget request for the use of commercial cloud computing services, current plans for the expansion of cloud computing to leverage the utility-based model, security benefits of transitioning to cloud computing, and any other factors delaying or inhibiting the expansion of cloud computing usage.

The bill requires state agencies, commissions, and departments to consult with the AST before contracting with any third-party entity to develop digital proof of license or identification card. If any state agency, commission or department seeks to develop its own digital proof of license or identification card without contracting services to a third party, the AST must develop standards for such digital proof of license or identification card and be consulted in the development of such license or identification card. All state agencies must evaluate and consider commercial cloud computing services before making any new information technology or telecommunications investment.

This section grants authority to the AST to adopt rules governing its access to data held by other state agencies, commissions, and departments. The bill provides that if any data or information accessed by the AST is exempt from public disclosure pursuant to general law, section 2 may not be construed to negate the exemption.

⁹ Section 322.032(4)(b), F.S. Also, see s. 775.082, F.S.

In consultation with other state agencies and giving consideration to the feasibility study¹⁰ conducted pursuant to s. 30, chapter 2014-221, Laws of Florida, the chief data officer is directed to:

- Establish a governance structure for managing state government data in a manner that promotes interoperability and openness.
- Establish a catalog of state government data which documents the acceptable use of, security and compliance requirements for, sharing agreements for, and format and methods available to access the data.
- Ensure that, if legally permissible and not cost prohibitive, such data is readily available to other state agencies and the public in compliance with the public records requirements of ch. 119, F.S.

Section 3 amends s. 322.032, F.S., to require the Department of Highway Safety and Motor Vehicles (DHSMV), in coordination with the AST, to develop a secure and uniform system for issuing an optional digital proof of driver's license for a fee of \$5. This fee must be deposited into the Highway Safety Operating Trust Fund within the DHSMV. The DHSMV is authorized to contract with one or more private entities to develop a digital proof of driver license system.

The digital proof of driver license developed must be in a format that allows law enforcement to verify the authenticity of the digital proof and must display the same required information about the licenseholder as does a driver license issued under ch. 322, F.S.

The DHSMV, in coordination with the AST, may adopt rules to ensure valid authentication of digital proof of driver licenses by law enforcement.

The DHSMV, in coordination with the AST, must implement a digital proof of driver license pilot program by July 1, 2017, using the developed secure and uniform system. Program participants are limited to elected state officials and state employee volunteers. The DHSMV must provide a report on the results of the pilot program to the Governor, the President of the Senate, and the Speaker of the House of Representatives by March 1, 2018.

The bill amends the criminal penalties for the offense of possession of a false digital proof of driver license, a second degree misdemeanor, to also include imposition of a fine not to exceed \$500.

Section 4 appropriates the sum of \$500,000 in nonrecurring funds from the General Revenue Fund to the DHSMV for the purpose of implementing the pilot program created by the amendment to s. 322.032, F.S., for the 2016-2017 fiscal year.

Section 5 provides an effective date of October 1, 2016.

¹⁰ The feasibility study directed AST to analyze, evaluate, and provide recommendations for managing state government data in a manner that promotes interoperability and openness; ensures that, whenever legally permissible and not cost prohibitive, such data is available to the public in ways that make the data easy to find and use; and complies with the provisions of ch. 119, F.S. AST submitted this report to the Governor, the President of the Senate, and the Speaker of the House on June 1, 2015. A copy of this study may be accessed at http://www.ast.myflorida.com/doc%20library/1%20-%20DEL6_GDFS_OUTLINE_FINAL_20150601.pdf.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of a state tax shares with counties and municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

CS/SB 1430 provides a \$5 fee to be assessed for each license that a citizen wishes to have digital proof of license. The revenue collected will be deposited in the Highway Safety Operating Trust Fund within the DHSMV. Since participation is optional, the annual revenue estimated to be collected is indeterminate.

B. Private Sector Impact:

Indeterminate. The bill directs the AST to establish a catalog of state government data which may result in data requirement changes affecting state agencies ultimately resulting in an impact on the state agency customers.

C. Government Sector Impact:

The bill appropriates \$500,000 nonrecurring from the General Revenue Fund for Fiscal Year 2016-2017 to implement digital proof of driver licenses pilot program within Department of Highway Safety and Motor Vehicles.

The bill creates new duties within the Agency for State Technology (AST) to oversee the transition of licenses and identification cards to digital proof of licenses and identification cards and directs the AST to create a central digital platform to store and access the data. The AST's new duties include the establishment of a governance structure and a catalog of state government data consistent with the data feasibility study completed in 2015. According to the study, implementation of the recommendations are estimated to be \$320,000 which includes the new Chief Data Officer position.¹¹

¹¹ The feasibility study directed AST to analyze, evaluate, and provide recommendations for managing state government data in a manner that promotes interoperability and openness; ensures that, whenever legally permissible and not cost prohibitive, such data is available to the public in ways that make the data easy to find and use; and complies with the provisions of ch. 119, F.S. AST submitted this report to the Governor, the President of the Senate, and the Speaker of the House on June 1, 2015. A copy of this study may be accessed at http://www.ast.myflorida.com/doc%20library/1%20-%20DEL6_GDFS_OUTLINE_FINAL_20150601.pdf

Requiring state agencies to consult and potentially participate with the AST on a governance structure to manage state government data and to provide information to establish a catalog of state government data will have an indeterminate fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 20.61, 282.0051, and 322.032.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Governmental Oversight and Accountability on February 9, 2016:

- Authorizes the AST to consult with each state agency on the development of the agency's legislative budget request for the use of commercial cloud computing services, current plans for expansion of cloud computing, security benefits of transitioning to cloud computing, and any factors delaying expansion of cloud computing;
- All state agencies must evaluate and consider commercial cloud computing services before making any new information technology or telecommunications investment;
- Specifies that the \$5 fee for issuing an optional digital proof of a driver license shall be deposited into the Highway Safety Operating Trust Fund;
- Deletes provisions of the original bill regarding FWC's development of a secure and uniform system for issuing an optional digital proof of boater safety identification card, vessel licenses and licenses for game, freshwater or saltwater fish, or fur-bearing animals; and
- The sum of \$500,000 in nonrecurring funds from the General Revenue Fund is appropriated to the DHSMV for implementing a digital proof of driver license pilot program, in coordination with the AST, for the 2016-2017 fiscal year.

B. Amendments:

None.