

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 426

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Brandes

SUBJECT: State Data Center

DATE: January 20, 2016 REVISED: _____

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

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 426 authorizes the Agency for State Technology’s State Data Center to extend a service-level agreement with an existing customer for up to six months. The State Data Center must file a report with the Executive Office of the Governor within specified time frames of the signing of an extension or the scheduled expiration of the service-level agreement with the customer. The report must outline issues preventing execution of a new agreement and a schedule for resolving such issues.

The bill authorizes the Agency for State Technology (AST) to plan, design, and conduct testing with information technology resources and implement service enhancements that are within the scope of the services provided by the state data center, if cost-effective.

There is no fiscal impact to state funds.

The bill provides an effective date of July 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. The duties and responsibilities of AST include:²

- 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 DMS.
- Participating with DMS in evaluating, conducting and negotiating competitive solicitations for state term contracts for IT commodities, consultant services, or staff augmentation contractual services.
- Collaborating with 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.
- Recommending additional consolidations of agency data centers or computing facilities into the state data center.
- In consultation with state agencies, proposing methodology for identifying and collecting current and planned IT expenditure data at the 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.

¹ Chapter 2014-221, Laws of Florida.

² Section 282.0051, F.S.

State Data Center Service-Level Agreements

The State Data Center is established within the AST and provides data center services that comply with applicable state and federal laws, regulations, and policies, including all applicable security, privacy, and auditing requirements.³ The State Data Center must enter into a service-level agreement with each customer entity to provide required type and level of service or services. If a customer fails to execute an agreement within 60 days after commencement of service, the State Data Center may cease service.

From 2008 until removed in 2014, s. 282.203, F.S., contained a provision providing for an existing customer’s service-level agreement with the state’s shared resource data centers to continue under the terms of the previous fiscal year’s agreement, if a customer did not execute a new service-level agreement within 60 days of the agreement’s expiration.

Below is a table listing the customers of the AST’s State Data Center. The customers include state agencies, a water management district, a county, local agencies and non-profit organizations.

AST Agency Customers	
Agency for Health Care Administration	Department of Veterans' Affairs
Agency for Persons with Disabilities	Office of Governor
Agency for State Technology	Emergency Management
Department of Citrus	Fish & Wildlife Conservation Commission
Department of Business & Professional Regulations	Statewide Guardian Ad Litem
Department of Corrections	Highway Safety & Motor Vehicles
Department of Children & Families	Justice Administrative Commission
Department of Economic Opportunity	Office of Auditor General
Department of Environmental Protection	Northwood State Resource Center
Department of Financial Services	Public Employees Relations Commission
Department of Juvenile Justice	Public Service Commission
Department of Military Affairs	State Attorney
Department of Management Services	Water Management District - Suwannee
Department of Education	Santa Rosa County
Department of Elder Affairs	Miami Dade Expressway Authority
Department of Health	Greater Orlando Aviation Authority
Department of Lottery	Children Home Society - Jacksonville
Department of Revenue	COPE Center
Department of State	Brevard Family Partnership
Department of Transportation	Community Based Care of Seminole

Funding Methodology

The Department of Financial Services (DFS) has responsibility for the preparation of the annual Statewide Cost Allocation Plan (SWCAP) required under the provisions of the U.S. Management

³ Section 282.201, F.S.

and Budget (OMB) Circular A-87.⁴ The circular establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments and federally recognized Indian tribal governments. The SWCAP is the mechanism by which the state identifies, summarizes, and allocates statewide indirect costs. The SWCAP also includes financial and billing information for central services directly charged to agencies or programs. The DFS must ensure that SWCAP represents the most favorable allocation of central services cost allowable to the state by the Federal government.⁵

Appendix C of OMB Circular A-87, defines “billed central services” as central services that are billed to benefited agencies and/or programs on an individual fee-for-service or similar basis. Typical expenditures of billed central services include computer services, transportation services, insurance, and fringe benefits.⁶

The services provided by the State Data Center to state agencies are an example of “billed central services.” The State Data Center must adhere to the SWCAP in accounting for agency resources utilized.

Pilot Projects

From 2008 until removed in 2014, s. 282.203, F.S., contained a provision providing for the data center to plan, design, and establish pilot projects and conduct experiments with information technology resources.

III. Effect of Proposed Changes:

Section 1 amends s. 282.201, F.S., to provide that a State Data Center service-level agreement may be extended for six months. If the State Data Center and an existing customer execute a service-level agreement extension or fail to execute a new service-level agreement, the State Data Center must submit a report to the Executive Office of the Governor within five days after the date of the executed extension, or 15 days before the scheduled expiration date of the service-level agreement. Such report must explain the specific issues preventing execution of a new service-level agreement and describing the plan and schedule for resolving those issues.

The section also authorizes the AST to plan, design, and conduct testing with information technology resources and implement service enhancements that are within the scope of services provided by the state data center, if cost effective.

Section 2 provides an effective date of July 1, 2016.

⁴ Section 215.195(1), F.S. Also, see 2 CFR Part 225, Appendix C, Appendix D, and Appendix E.

⁵ *Id.*

⁶ 2 CFR Part 225, Appendix C.

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:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 282.201 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

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

The CS by Governmental Oversight on December 1, 2015:

- Authorizes the State Data Center to extend service-level agreements with an existing customer for up to six months;

- Requires the State Data Center to file a report with the Executive Office of the Governor within five days after the date of execution of extension agreement and within 15 days before schedule expiration date of service-level agreement; the report must explain the specific issues preventing execution of new service-level agreement and describe a plan and schedule for resolving those issues; and
- Authorizes AST to plan, design, and conduct testing with information technology resources and implement service enhancements that are within the scope of the services provided by the State Data Center, if cost-effective.

B. Amendments:

None.