

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: SB 2518 Information Technology

SPONSOR(S): Appropriations

TIED BILLS: **IDEN./SIM. BILLS:**

FINAL HOUSE FLOOR ACTION: 107 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

SB 2518 passed the House on March 14, 2022, as amended by the conference committee.

SB 2518 conforms statutes to the funding decisions in the General Appropriations Act for Fiscal Year 2022-2023. Specifically, the bill:

- Separates the State Data Center (SDC) from the Florida Digital Service (FDS) within the Department of Management Services (DMS). All FDS duties and responsibilities related to the SDC are removed and assigned directly to DMS.
- Designates the Northwest Regional Data Center (NWRDC) at Florida State University as an official state data center and transfers all current State Data Center resources, contracts, and assets to NWRDC.
- Requires the secretary of the DMS to contract with the NWRDC for the management and operation of the SDC.
- Maintains existing exemptions for data center consolidation and allows for NWRDC to provide services from the DMS SDC facility.

The bill extends the date for FDS to complete the comprehensive state data catalog and data dictionary from October 1, 2021 to December 1, 2022.

The General Appropriations Act for Fiscal Year 2022-23 provides budget adjustments to enable the SDC transfer to NWRDC and appropriates \$11,975,495, including 10 full-time equivalent positions and associated salary rate of 707,913, to support the contract between DMS and NWRDC. See Fiscal Comments.

This bill was approved by the Governor on June 2, 2022, ch. 2022-153, L.O.F., and will become effective on July 1, 2022.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Background

State Data Center (SDC)

The State Data Center (SDC) is housed within the Department of Management Services (DMS) and provides data center services that comply with applicable state and federal laws, regulations, and policies, including all applicable security, privacy, and auditing requirements.¹ The Florida Digital Service (FDS) within DMS is required by law to provide operational management and oversight of the SDC.²

State agencies, unless authorized by the Legislature or granted exemption by FDS, may not:³

- Create a new data center or computing facility.
- Expand an existing agency computing facility or data center.
- Terminate service with the SDC without 180 day written notification.

The SDC relies heavily on the use of state-owned equipment installed at the SDC facility located in the state's Capital Circle Office Center in Tallahassee for the provision of data center services, often financed through the Department of Financial Services' Consolidated Equipment Financing Program and through lease-purchase arrangements with hardware vendors. This equipment must be replaced periodically, usually around five years. By the end of Fiscal Year 2021-2022, the SDC will have paid in full its financing and lease obligations.

Service Level Agreement (SLA)

The State Data Center must enter into a service-level agreement (SLA) with each customer entity to provide the required type and level of service or services. A service level agreement is defined in law as a written contract between DMS and a customer entity⁴. An SLA specifies the scope of services provided, service level, the duration of the agreement, the responsible parties, and service costs. These agreements are required to be in place no later than 60 days after services begin and must be renewed at a term not to exceed three years. If a customer fails to execute an agreement within 60 days after commencement of service, the SDC may cease service.

Northwest Regional Data Center (NWRDC)

In 2011, the Northwest Regional Data Center (NWRDC) at Florida State University was designated a state primary data center.⁵ This designation, with prescribed state agency customer requirements, permitted state agencies to enter into service level agreements with NWRDC to provide data center services similar to the DMS SDC. In Fiscal Year 2021-2022, the NWRDC has agreements to provide data center services to 13 state entities. The NWRDC customer base currently consists of 93 city, county, educational, private non-profit and state entities.

The Florida Digital Service (FDS)

Current law requires the Florida Digital Service (FDS), from its appropriated funds, to create and maintain no later than October 1, 2021 a comprehensive data catalog in collaboration with the enterprise that lists the data elements housed within the enterprise and the legacy system or application in which these data elements are located. Current law also requires FDS to develop and publish, no later than October 1, 2021, in collaboration with the enterprise, a data dictionary for each

¹ Section 282.201, F.S.

² Section 282.0051(1)(j), F.S.

³ Section 282.201(5), F.S.

⁴ Section 282.0041(30), F.S.

⁵ Section 1004.649, F.S.

agency that reflects the nomenclature of each data element indexed in the comprehensive data catalog.

FDS has been appropriated funds and staff to implement these requirements, but work to meet the requirements of the law was not complete by the statutory deadline.

Effect of the Bill

State Data Center (SDC)

The bill separates the SDC from the FDS within DMS. All FDS duties and responsibilities related to the SDC are removed and assigned directly to DMS.

The bill designates the NWRDC at Florida State University as an official state data center and transfers all current DMS State Data Center resources, contracts, and assets to the NWRDC.

The bill requires the secretary of DMS to contract with the NWRDC for the management and operation of the SDC.

The bill maintains existing exemptions for data center consolidation and allows for NWRDC to provide services from the DMS SDC facility.

Service Level Agreement (SLA)

The bill clarifies the definition of a SLA between a customer entity and DMS to include a provider of data center services.

The Florida Digital Service (FDS)

The bill extends the statutory deadline for FDS to complete the state data catalog and state data dictionary from October 1, 2021 to December 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The General Appropriations Act for Fiscal Year 2022-2023 includes the following that align with the provisions of the bill:

- Realignment of all appropriations from agency budgets from the appropriation category to pay the DMS SDC to the appropriation category to pay the NWRDC,
- Direction to DMS to enter into a five-year contract with the NWRDC for the management, operation, and staffing of the SDC effective July 1, 2022,
- Deletion of SDC Working Capital Trust Fund budget authority to allow the NWRDC to directly bill customer entities,
- Deletion of all SDC FTE and rate that will be transferred to NWRDC and become FSU employees,
- \$975,495 in recurring general revenue funds and 707,913 in associated salary rate for 10 FTE at DMS (including seven new positions) to provide management and oversight of the NWRDC contract,
- \$6 million in Administered Funds for distribution into agencies' NWRDC categories in the event additional funds are needed to meet the needs of the agency for the transition from the SDC to the NWRDC, and
- \$5 million in general revenue funds to DMS for transfer to Florida State University for administrative fees associated with the NWRDC operations and management of the SDC.