

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 1704
Version:	CCS (8055)
Author:	Representative Murphey/ Senator Coffee
Date:	May 20, 2009
Impact	CIO Director/10FTE - \$1,041,000; Consultant Costs -\$200 Per Hour; Estimated Office Space - \$20,000; Potential Savings From Efficiencies

Bill Summary

Research Analyst: Dante Giancola

The CCS for HB1704 creates the Governor-appointed position of a Chief Information Officer, which will direct the Information Services Division of the Office of State Finance

The main provisions of the bill include:

- Requires the first CIO to be appointed by January 1, 2010
- Instructs that the CIO will also serve on the Governor's cabinet as the Secretary of Information Technology and Telecommunications
- Establishes qualification requirements and salary range for the position of the Chief Information Officer.
- Provides 12 months within hire date for the Chief Information Officer to complete an assessment of the state's information technology systems and to submit a comprehensive plan for managing and coordinating those services.
- Provides that the plan is to identify areas in state government where technology infrastructure and applications can be shared, examine the best use of resources and personnel, and identify costs savings associated with the reorganization of the state's information technology systems.
- Requires that a net savings be realized for the state within two years of the CIO's appointment, with the expectation that the state will spend at least 15 percent less on information technology and telecommunications after implementation of the statewide plan.
- Authorizes CIO to approve all statewide contracts for software, hardware, information technology consulting services, and communication and telecommunications.
- Enacts a statewide freeze for the hiring of new employees to fill full-time information technology positions until the adoption of a statewide plan, at which time hiring decisions will be made with approval of the CIO. The Director of the Office of State Finance will be able to grant authorization to hire until the appointment of the CIO.
- Prohibits agencies from entering into contracts exceeding \$10,000 for information technology and telecommunication systems or from making investments in new products and services that exceed that amount, until the appointment of the first CIO, unless an agency has direct authorization from the Director of the Office of State Finance.
- Provides a date of July 1, 2011 before the recommendations of the plan of action report will apply to the Department of Human Services and the Oklahoma Regents for Higher Education.

Fiscal Summary

Fiscal Analyst: Terry McKenna

The Conference Committee Substitute for HB 1704 creates the position of Chief Information Officer (CIO), to be appointed no later than January 1, 2010, who shall have authority over the Information Services Division (ISD) of the Office of State Finance (OSF). The salary of the (CIO) shall be not less than \$130,000 or more than \$160,000. The salary and any other expenses for the CIO shall be budgeted as a separate line item through the OSF which shall provide office space, equipment and support. Within 12 months, the CIO shall issue a plan that will include a roadmap for the transfer, coordination, and modernization of all information technology and communications systems for all state agencies in the state; and the CIO may contract with private consultants to assist in the development of the plan. Beginning on the effective date of appointment the CIO is authorized to employ personnel, fix their duties and compensation and otherwise direct their work of the personnel of the Information Services Division. The net savings realized through the reallocation and consolidation described above, after compensating for up-front costs and on-going costs of the ISD, shall be realized no later than two years from the appointment of the CIO and shall at a minimum be not less than fifteen percent of the overall statewide information technology and telecommunications expenditures made by all state agencies during FY-09.

Fiscal Analysis

OSF advises in addition to the CIO salary that 10 additional FTE would be needed to meet the requirements of Section 2.A, 2.C, 2.D and 2.E of the Conference Committee Substitute for HB 1704 (Technology Staff – 3 Qualified Mgs. @ \$254,000; 1 Secretary @ \$35,000, 2 Accounting Specialists @ \$90,000, 4 Procurement Specialists @ \$232,000 and \$270,000 in Fringe Benefits). OSF further advises that To contract with private consultants for the development of the plan of action, recent experience (a similar study in Texas) indicates that information systems and information technology analysts are paid at the rate of \$200 per hour.

Total state agency Data Processing Expenses of \$340,577,938 were reported to OSF in FY-08. The fifteen percent savings mandated under the provisions of the Conference Committee Substitute for HB 1704, if realized, would be \$51,086,691.

Long Term Fiscal Considerations

As Stated Above

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director