

BILL SUMMARY
1st Session of the 53rd Legislature

Bill No.:	HB 1304
Version:	FA1
Request Number:	7103
Author:	Rep. Derby
Date:	3/8/2011
Impact:	Under Review by Office of State Finance
	See Below

Research Analysis

The FA-1 to HB 1304 transfers the information technology assets of all appropriated state agencies and all employees of appropriated state agencies with job titles and duties that fall within the information technology occupational group to the Information Services Division of the Office of State Finance (OSF) effective July 1, 2011. The amendment also requires all state agencies, beginning July 1, 2011, to use certain information technology services and the Integrated Central Financial System operated by OSF.

Prepared By: Marcia Goff

Fiscal Analysis

The amendment directs the State Auditor and Inspector (SAI) to determine the budgetary resources to be transferred to the Information Services Division of the Office of State Finance (OSF), including appropriated and revolving funds. The Auditor is charged with determining the amount of funds to be transferred. The Director of OSF is authorized to administer the transfer of funds. Agencies may not expend or encumber more than funds budgeted for the period from the effective date through July 1, 2011 on information technology (IT) assets and employees without the approval of the Auditor. Costs incurred by the Auditor in performance of the review of funds may be subtracted from the amount transferred on July 1, 2011 and presumably retained by the Auditor. No estimates of such costs have been provided to date.

On July 1, 2011 all appropriated and nonappropriated state agencies (executive branch entities) will be required to use IT services and systems operated by OSF for all agency functions, including:

- Data service center
- Networking services
- Communication or intercommunication systems
- Electronic mail systems
- Data and network security systems

In addition, executive agencies will, on July 1, 2011, be required to exclusively use systems, software and processes through the Communications, Operations, Reporting and Enterprise (CORE) system, including:

- Payroll
- Employee leave
- Human resources

Accounts receivable
Accounts payable
Purchasing
Budgeting
Enterprise Learning Management
Budget request
Asset management
Project grants and contracts, including federal billing

The Chief Information Officer (CIO) has undertaken a compilation of agency IT operations. A preliminary report estimates operation expenditures of approximately \$233.2 million for FY-11. Removing the federal share of projects (estimate: \$61.7 million) provides a state operation expenditure estimate of \$171.5 million subject to transfer to the Information Services Division of OSF.

Prepared By: Mark Tygret

Other Considerations

The CIO continues to evaluate IT expenditures, budget, capital projects and full-time-equivalent (FTE) employment allocated for IT purposes.