

SUBJECT: Adding cloud computing services to state agencies' data storage options

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 11 ayes — Phelan, Hernandez, Guerra, Harless, Hunter, P. King, Parker, Raymond, E. Rodriguez, Smithee, Springer

0 nays

2 absent — Deshotel, Holland

WITNESSES: For — Alla Seiffert, Internet Association; Mia McCord, Texas Conservative Coalition; (*Registered, but did not testify*: Megan Schrader, Amazon; Sarah Matz, Computing Technology Industry Association; Kerry Cammack, Google; Justin Yancy, Texas Business Leadership Council; Deborah Giles, Texas Technology Consortium)

Against — None

On — (*Registered, but did not testify*: Todd Kimbriel, Department of Information Resources)

BACKGROUND: Government Code sec. 2054.378 allows the Department of Information Resources (DIR) to operate statewide technology centers to provide two or more governmental entities, on a cost-sharing basis, services relating to information resources technology and the deployment, development, and maintenance of software applications. DIR may operate a center directly or contract with another person.

Sec. 2054.384 requires DIR to conduct a cost and requirements analysis for each state agency that it intends to select for participation in a statewide technology center. DIR shall fulfill requirements and service levels of each state agency to the extent possible.

Sec. 2054.390 requires DIR to prioritize the migration of services to the statewide technology center system based on the size of the current

technology center operational environment at a state agency, with the largest 25 ranking highest in priority. A state agency shall comply with DIR's request to migrate. Any consolidation plan must prioritize and fully use the existing capacity of the State Data Center located on the campus of Angelo State University.

Sec. 2054.392 establishes the statewide technology account to be used only for the operation and management of a statewide technology center or for any other purpose specified by the Legislature.

It has been suggested that requiring state agencies to use statewide technology centers has created a monopoly, increased costs, and stifled innovation. As a result, some have suggested providing state agencies with greater flexibility to determine how to use technology and store data, including highly secure, cost-effective services through cloud computing service providers.

**DIGEST:**

CSHB 2884 would require the Department of Information Resources (DIR) to allow a state agency to have the discretion to contract with a cloud computing service provider or use a statewide technology center for services relating to information resources technology and the deployment, development, and maintenance of software applications.

The bill would specify that a cloud computing service provider was the entity with which DIR could contract to operate a statewide technology center. Instead of the current requirement that DIR manage the operations of the centers, CSHB 2884 would allow either DIR or a contracted cloud computing service provider to manage the operations.

Instead of requiring DIR to conduct a cost and requirements analysis for each state agency that it intended to select for participation in a statewide technology center, CSHB 2884 would require each considered state agency to conduct the analysis to determine its information resources technology needs. An agency would have to consider using a cloud computing service, including any security benefits and cost savings associated with purchasing the service from a cloud computing service

provider or a statewide technology center.

The bill would require DIR to prioritize and fully use the existing capacity of the State Data Center located on the campus of Angelo State University, rather than the current requirement to prioritize migration of services to the statewide technology center system based on the size of the operational environment.

CSHB 2884 would limit the statewide technology account to be used only for a purpose specified by the Legislature.

The bill would repeal statutes prohibiting a state agency from spending appropriations to contract or issue purchase orders for data center or disaster recovery services unless approved by the executive director and prohibiting the Legislative Budget Board from granting prior approval in relation to those services.

The bill would repeal Government Code sec. 2054.391, prohibiting a state agency from transferring services from a statewide technology center without certain approval and limiting certain appropriations.

CSHB 2884 would take effect September 1, 2019.