

Date of Hearing: April 28, 2021

ASSEMBLY COMMITTEE ON ACCOUNTABILITY AND ADMINISTRATIVE REVIEW

Cottie Petrie-Norris, Chair

AB 1323 (Chiu) – As Amended March 26, 2021

SUBJECT: Department of Technology: modernization: state information technology contracts

SUMMARY: This bill requires the California Department of Technology (CDT) to prioritize legacy information technology systems, identify shared services, submit various reports to the Legislature, and develop plans and recommendations to modernize information technology project approval and oversight processes. Specifically, **this bill:**

- 1) Requires CDT to identify, assess, and prioritize legacy information technology system modernization efforts.
- 2) Requires CDT to submit an annual report to the Legislature that includes:
 - a) How CDT is prioritizing legacy information technology system modernization efforts.
 - b) Annual and total cost estimates for each effort and the entire portfolio.
 - c) Impediments and risks that led to changes in how CDT identifies, assesses, and prioritizes efforts.
- 3) Requires state agencies and entities to submit their information service contracts to CDT by May 1, 2022.
- 4) Requires CDT to analyze the contracts and use submitted information to:
 - a) Assess state information technology investment and identify commonly used or shared services for statewide contracts.
 - b) Create an approach to understand user demand.
 - c) Inform management approaches regarding demand and supply.
- 5) Requires CDT to submit a report to the Legislature containing the following:
 - a) Services CDT believes would be appropriately centralized.
 - b) Summarize market research to estimate one-time and ongoing costs for each service.
 - c) Savings to the state from reduced overlap and redundant services.
- 6) Requires CDT to develop an implementation plan with budget requests.
- 7) Requires CDT, the Department of Finance, the Government Operations Agency, and other agencies and entities to work with legislative staff and the Legislative Analyst's Office to evaluate options to modernize information technology project approval and oversight processes.

- 8) Requires CDT to submit a report to the Legislature summarizing options evaluated, options selected, and recommendations.

EXISTING LAW:

- 1) Establishes the CDT and the Director who also serves as the State Chief Information Officer (CIO).
- 2) Requires CDT to approve and provide oversight of information technology projects.
- 3) Requires the chief information officer of each state agency to develop the enterprise architecture for their agency to standardize and consolidate information technology applications, assets, infrastructure, data, and procedures.
- 4) Requires CDT to review and approve each agency enterprise architecture.
- 5) Requires CDT to review, approve, and provide oversight on a state agency service contract containing an information technology component that would be subject to oversight if it were a separate information technology project.

FISCAL EFFECT: Unknown

COMMENTS: This bill takes a very holistic approach to modernize or reform the state information technology project approval and oversight processes.

According to the author, “California leads the country when it comes to technology and innovation, but its government IT systems struggle to function. Numerous attempts to modernize these systems have either been delayed and significantly over budget, or have failed entirely. The State has wrestled with IT for decades; spanning multiple Administrations and Legislatures.

There is no silver bullet for addressing IT problems, but a combined lack of standardized policies and defined leadership have pushed our IT systems to be unnecessarily disconnected, unmanageable, and difficult to reform.

AB 1323 lays the groundwork for broader statewide IT reform. It is crucial that we work to ensure our IT systems are modernized, centralized, fiscally responsible, and meeting the needs of all Californians.”

This bill requires multiple reports to the Legislature as CDT moves through the various steps or requirements of the bill. The bill requires CDT and other state agencies to work with legislative staff to evaluate potential options to modernize information technology project approval and oversight process. The committee may want to consider if it would be more appropriate for CDT and state agencies to report back to a specific legislative committee as a mechanism to work with legislative staff.

DOUBLE REFERRAL: This bill was previously heard in the Assembly Committee on Privacy and Consumer Protection on April 8, 2021, with a vote of 11-0.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file

Opposition

None on file

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