

Date of Hearing: May 12, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

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

Policy Committee:	Privacy and Consumer Protection	Vote:	11 - 0
	Accountability and Administrative Review		7 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the Department of Technology (CDT) to identify, assess and prioritize legacy information technology (IT) system modernization efforts across state government. Specifically, this bill:

- 1) Requires, on or before May 1, 2022, all state agencies to submit all current IT service contracts to CDT.
- 2) Requires CDT to analyze all existing state IT contracts to identify candidate services that may be centralized or eliminated due to redundancy.
- 3) Mandates CDT work with other agencies, including the Department of Finance, Government Operations (GovOps) and the Legislature, to evaluate options to modernize state government IT project approval and oversight processes.

FISCAL EFFECT:

- 1) Costs (General Fund (GF)) possibly in excess of \$150,000, in additional staff for CDT to review all state agency IT contracts for redundancies, impact to user demand and management approaches regarding demand and supply and submit a report to the Legislature with recommendations for IT modernization efforts and estimated costs.
- 2) Likely minor and absorbable costs to GovOps to work with legislative staff to evaluate potential options for modernizing the state's IT approval and oversight processes.

COMMENTS:

- 1) **Purpose and Background.** According to the author:

A combined lack of standardized policies and defined leadership have pushed the state's IT system to be unnecessarily disconnected, unmanageable, and difficult to reform. AB 1323 begins to lay the groundwork for statewide IT reform.

COVID-19 and other institutional barriers have delayed the modernization of California's IT systems. While CDT has statutory authority to review and approve IT projects initiated by state agencies, it is not clear whether, under current law, CDT is authorized to identify legacy

IT systems in each state entity and prioritize their stabilization or modernization according to risk of failure. Existing law also does not authorize CDT to require a state agency to complete stabilization and modernization efforts. It is arguable that a lack of authority to oversee and manage IT modernization and stabilization has resulted in fragmented and redundant IT infrastructure across state agencies, reducing interagency collaboration and complicating the experience of users attempting to access state services online.

- 2) **Related Legislation.** AB 1352 (Chau) authorizes the California Military Department to perform an independent security assessment of a local educational agency or school site at the request and expense of the local educational agency.

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