

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: N

Fiscal: Indeterminate

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Matt Stayner, Legislative Fiscal Office

Meeting Date:

WHAT THE MEASURE DOES:

Establishes office of State Chief Information Officer and transfers certain responsibilities and resources from Director of Department of Administrative Services to new office. Makes State Chief Information Officer position appointed by Governor. Becomes operative January 1, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENT:

Replaces the engrossed version of the bill entirely. Establishes office of State Chief Information Officer (CIO) and transfers certain responsibilities and resources from Director of Department of Administrative Services to new office. Eliminates the Information Resources Management Council and the Stakeholders Advisor Committee. Makes State Chief Information Officer position appointed by Governor. Sets forth the qualifications for the CIO position. Requires the CIO to adopt an information technology and telecommunications plan for the state in consultation with DAS, state agencies and the legislature. Becomes operative January 1, 2014. Declares emergency, effective on passage.

BACKGROUND:

In the Department of Administrative Services' (DAS) transition to an "entrepreneurial management" model of operations, the department established a Chief Information Office out of the former Enterprise Information Strategy and Policy Division. The current position of state chief information officer (CIO) is the head of this office, which oversees planning, management and policy development relating to information resources across state government. These efforts include the state Electronic Government Program (E-gov), the Enterprise Security Office, the Geospatial Enterprise Office and the Information Technology Investment and Planning Section. Most state agencies also have their own internal CIOs who manage information resources and related issues within their own agencies.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3258 - A4

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Matt Stayner
Reviewed by: Paul Siebert
Date: 6/11/13

Measure Description:

Establishes office of State Chief Information Officer for purpose of directing policy and coordinating state government and state agencies in planning for, acquiring, installing and using telecommunications and information technology.

Government Unit(s) Affected:

Department of Administrative Services (DAS)

Summary of Expenditure Impact:

Please see analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure establishes the Chief Information Officer (CIO) position within the Department of Administrative Services and formalizes the authority, roles, and responsibilities of the Chief Information Officer position. Although the immediate impact of the measure is minimal as the office of the CIO is currently performing many of the prescribed duties in a limited capacity, the ongoing fiscal impact is indeterminate as workload in the office of the CIO is expected to increase upon the completion of the planning and implementation responsibilities outlined in the bill.

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3258**

1 On page 1 of the printed A-engrossed bill, line 2, after “ORS” delete the
2 rest of the line and lines 3 and 4 and insert “291.038; and declaring an
3 emergency.”.

4 Delete lines 6 through 25 and delete pages 2 through 13 and insert:

5 **“SECTION 1.** ORS 291.038 is amended to read:

6 “291.038. (1) [*The planning, acquisition, installation and use of*] **The State**
7 **Chief Information Officer shall oversee policy for and coordinate**
8 **planning, architecture and standardization of** all information and tele-
9 communications technology by state government and agencies of state gov-
10 ernment [*shall be coordinated*] so that statewide **and individual state**
11 **agencies’** plans and activities[, *as well as those of individual agencies,*] are
12 addressed in the most integrated, economic and efficient manner, **in a**
13 **manner that minimizes duplication, fragmentation, redundancy and**
14 **cost in state agency operations and in a manner that most effectively**
15 **meets state agency program needs.** [*To provide policy direction for and*
16 *coordination of information technology for state government, the Director of the*
17 *Oregon Department of Administrative Services shall chair and appoint not*
18 *fewer than five agency executives to an Information Resources Management*
19 *Council. The council membership shall include at least two members who*
20 *represent the private sector and political subdivisions of the state.*]

21 “(2) To facilitate accomplishment of the purpose set forth in subsection
22 (1) of this section, the [*Oregon Department of Administrative Services*] **State**

1 **Chief Information Officer** shall adopt rules, policies and standards to plan
2 for, [*acquire, implement and manage*] **develop architecture for and stand-**
3 **ardize** the state's information resources **and technologies**. In developing
4 rules, policies and standards, the [*department*] **State Chief Information**
5 **Officer** shall consult with state agencies that have needs that information
6 resources may satisfy. State agencies shall cooperate with the [*department*]
7 **State Chief Information Officer** in preparing and complying with rules,
8 policies and standards. The **State Chief Information Officer shall for-**
9 **mulate** rules, policies and standards [*must be formulated*] to promote elec-
10 tronic communication and information sharing among state agencies and
11 programs, between state and local governments and with the public where
12 appropriate.

13 “(3) **The State Chief Information Officer shall formulate** rules, poli-
14 cies, plans, standards and specifications [*must be formulated*] to ensure that
15 information resources **and technologies** fit together in a statewide system
16 capable of providing ready access to information, computing or telecommu-
17 nication resources. Plans and specifications **that** the [*department*] **State**
18 **Chief Information Officer** adopts must be based on industry standards for
19 open systems to the greatest extent possible. Before adopting rules described
20 in subsection (2) of this section, the [*department*] **State Chief Information**
21 **Officer** shall present the proposed rules to [*the appropriate legislative com-*
22 *mittee*] **a committee or interim committee of the Legislative Assembly**
23 **that has oversight over information resource and technology issues.**
24 The [*department*] **State Chief Information Officer** has the responsibility to
25 review, oversee and ensure that state agencies' **rules and** planning, acquisi-
26 tion and implementation activities align with and support the statewide in-
27 formation resources management plan. The [*department*] **Oregon**
28 **Department of Administrative Services** is responsible for procuring in-
29 formation technology fairly, competitively and in a manner that is consistent
30 with the [*department's*] **State Chief Information Officer's** rules.

1 “(4)(a) The policy of the State of Oregon is that state government tele-
2 communications networks should be designed to provide state-of-the-art ser-
3 vices where economically and technically feasible, using shared, rather than
4 dedicated, lines and facilities.

5 “(b) The department shall, when procuring telecommunications network
6 services, consider achieving the economic development and quality of life
7 outcomes set forth in the Oregon benchmarks.

8 “(5)(a) The department, upon request, may furnish and deliver statewide
9 integrated videoconferencing and statewide online access service to a public
10 or private entity that primarily conducts activities for the direct good or
11 benefit of the public or community at large in providing educational, eco-
12 nomic development, health care, human services, public safety, library or
13 other public services. The department shall adopt rules with respect to fur-
14 nishing the service.

15 “(b) The department shall establish [*the*] statewide integrated
16 videoconferencing and statewide online access user fees, services, delivery,
17 rates and long range plans [*in consultation with the Stakeholders Advisory*
18 *Committee created pursuant to this section*]. The rates [*shall*] **must** reflect the
19 department’s cost in providing the service.

20 “(c) The department by rule shall restrict the department’s furnishing or
21 delivery of Internet access service to private entities [*when*] **if** the service
22 would directly compete with two or more local established providers of
23 Internet access services within the local exchange telecommunications ser-
24 vice area.

25 “(d) The rates and services established and provided under this section
26 are not subject to the Public Utility Commission’s regulation or authority.

27 “[*(6)(a) There is created the Stakeholders Advisory Committee, consisting*
28 *of a minimum of nine members appointed by the Director of the Oregon De-*
29 *partment of Administrative Services. In making appointments, the director*
30 *shall give consideration to geographic balance and adequate representation of*

1 *the department's users and providers and the general public.]*

2 *“(b) The committee must consist of members who represent elementary or*
3 *secondary education, higher education, community colleges, economic develop-*
4 *ment, health care, human services and public safety. At least four members*
5 *must reside in areas east of the Cascade Mountains.]*

6 *“(c) The term of office of each member is three years, but a member serves*
7 *at the sole discretion of the director. The director shall appoint a successor to*
8 *a member before the member's term expires. A member is eligible for reap-*
9 *pointment. If a position on the committee is vacant for any cause, the director*
10 *shall make an appointment to the position that is immediately effective for the*
11 *unexpired term.]*

12 *“(d) A member of the committee is entitled to travel expenses pursuant to*
13 *ORS 292.495. Members of the committee are not entitled to compensation.]*

14 *“(e) The director may establish additional advisory and technical commit-*
15 *tees as the director considers necessary to aid and advise the Stakeholders*
16 *Advisory Committee in the performance of the committee's functions.]*

17 *“(f) The director may delegate to the State Chief Information Officer a*
18 *duty, function or power that this subsection imposes upon the director.]*

19 *“(7) (6) An organization or organizations recognized as tax exempt under*
20 *section 501(c)(3) of the Internal Revenue Code that primarily conduct activ-*
21 *ities for the direct good or benefit of the public or community at large in*
22 *providing educational, economic development, health care, human services,*
23 *public safety, library or other public services and have formed an affiliation*
24 *with one or more federal, state or local governmental units within this state*
25 *may apply to the department for designation as a community of interest. The*
26 *application must be in the form [prescribed by the department] **that the de-***
27 ***partment prescribes** and contain information regarding the governmental*
28 *affiliation relationship, the tax exempt status of each organization and the*
29 *public benefit services [to be provided] **the organization provides or in-***
30 ***tends to provide.** The department shall establish an application review and*

1 appeal process to ensure that designating the organizations as a community
2 of interest for the purposes of including the organization in telecommuni-
3 cations contracts under ORS 283.520 will result in providing educational,
4 medical, library or other services for public benefit.

5 “[8] (7) This section does not apply to the State Board of Higher Edu-
6 cation or any public university listed in ORS 352.002.

7 “[9] (8) As used in this section:

8 “(a) ‘Information resources’ means media, instruments and methods for
9 planning, collecting, processing, transmitting and storing data and informa-
10 tion, including telecommunications.

11 “(b) ‘Information technology’ includes, but is not limited to, present and
12 future forms of hardware, software and services for data processing, office
13 automation and telecommunications.

14 “(c) ‘Internet access service’ means electronic connectivity to the Internet
15 and the services of the Internet.

16 “(d) ‘Open systems’ means systems that allow state agencies freedom of
17 choice by providing a vendor-neutral operating environment where different
18 computers, applications, system software and networks operate together eas-
19 ily and reliably.

20 “(e) ‘State-of-the-art services’ includes equipment, facilities and the capa-
21 bility to distribute digital communication signals that transmit voice, data,
22 video and images over a distance.

23 “[f] *‘Telecommunications’ means hardware, software and services for*
24 *transmitting voice, data, video and images over a distance.*]

25 “[g] (f) ‘Statewide integrated videoconferencing’ means a statewide
26 electronic system capable of transmitting video, voice and data communi-
27 cations.

28 “[h] (g) ‘Statewide online access’ means electronic connectivity to in-
29 formation resources such as computer conferencing, electronic mail, data-
30 bases and Internet access.

1 “(h) ‘Telecommunications’ means hardware, software and services
2 for transmitting voice, data, video and images over a distance.

3 “SECTION 2. Section 3 of this 2013 Act is added to and made a part
4 of ORS chapter 291.

5 “SECTION 3. (1) The office of the State Chief Information Officer
6 is established in the Oregon Department of Administrative Services for
7 the purpose of directing, coordinating and overseeing policy related to
8 information technology in accordance with ORS 291.038 and other
9 statutes, rules and policies that govern the state’s or state agencies’
10 use of telecommunications and information technology.

11 “(2) The Governor shall appoint the State Chief Information Officer,
12 who shall serve at the pleasure of the Governor. The State Chief In-
13 formation Officer may adopt rules in accordance with ORS chapter 183
14 to exercise and carry out the duties, functions and powers committed
15 to the State Chief Information Officer under ORS 291.038 and other
16 statutes, rules or policies that commit functions to the State Chief
17 Information Officer.

18 “(3) The State Chief Information Officer must be a person who, by
19 training and experience, is well qualified to:

20 “(a) Perform the duties of the office, as determined by the Gover-
21 nor, in consultation with the Director of the Oregon Department of
22 Administrative Services; and

23 “(b) Carry out the functions specified in ORS 291.038 and in other
24 statutes, rules or policies that commit functions to the State Chief
25 Information Officer.

26 “(4)(a) The State Chief Information Officer shall adopt an Infor-
27 mation Technology and Telecommunications Plan for the state and
28 update the plan each biennium. The plan must provide for integrating
29 statewide technology initiatives, ensuring compliance with informa-
30 tion technology policies and standards, promoting alignment of infor-

1 **mation resources and technologies and effectively managing state**
2 **agencies' information technology portfolios. In developing the plan,**
3 **the State Chief Information Officer shall consult with and consider**
4 **advice and suggestions from state agencies and local governments,**
5 **from private sector information technology experts, from the Legisla-**
6 **tive Fiscal Officer, from a committee of the Legislative Assembly with**
7 **oversight over information resource and technology issues or from**
8 **individual members of the Legislative Assembly that the President of**
9 **the Senate and the Speaker of the House of Representatives appoint**
10 **for the purpose of consulting with the State Chief Information Officer**
11 **under this subsection.**

12 **“(b) The State Chief Information Officer shall identify and recom-**
13 **mend to the director the resources that are necessary to implement**
14 **the plan the State Chief Information Officer adopts under paragraph**
15 **(a) of this subsection. The director, in developing a biennial budget for**
16 **the department, shall consider the recommendations that the State**
17 **Chief Information Officer makes under this paragraph.**

18 **“SECTION 4. (1) Section 3 of this 2013 Act and the amendments to**
19 **ORS 291.038 by section 1 of this 2013 Act become operative on January**
20 **1, 2014.**

21 **“(2) The State Chief Information Officer and the Director of the**
22 **Oregon Department of Administrative Services may take any action**
23 **before the operative date specified in subsection (1) of this section that**
24 **is necessary to enable the State Chief Information Officer or the di-**
25 **rector to exercise, on and after the operative date specified in sub-**
26 **section (1) of this section, all of the duties, functions and powers**
27 **conferred on the State Chief Information Officer and the director by**
28 **section 3 of this 2013 Act and the amendments to ORS 291.038 by sec-**
29 **tion 1 of this 2013 Act.**

30 **“SECTION 5. This 2013 Act being necessary for the immediate**

1 **preservation of the public peace, health and safety, an emergency is**
2 **declared to exist, and this 2013 Act takes effect on its passage.”.**

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