

**Section 1**

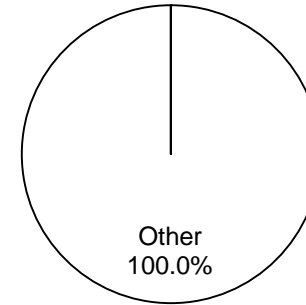
**Department of Information Resources  
Summary of Recommendations - House**

Page: I-72  
Karen Robinson, Executive Director

Lena Conklin, LBB Analyst

<b>Method of Financing</b>	<b>2012-13 Base</b>	<b>2014-15 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
General Revenue Funds	\$14,691,391	\$0	(\$14,691,391)	(100.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$14,691,391</i>	<i>\$0</i>	<i>(\$14,691,391)</i>	<i>(100.0%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$504,808,860	\$579,092,542	\$74,283,682	14.7%
<b>All Funds</b>	<b>\$519,500,251</b>	<b>\$579,092,542</b>	<b>\$59,592,291</b>	<b>11.5%</b>

RECOMMENDED FUNDING  
BY METHOD OF FINANCING



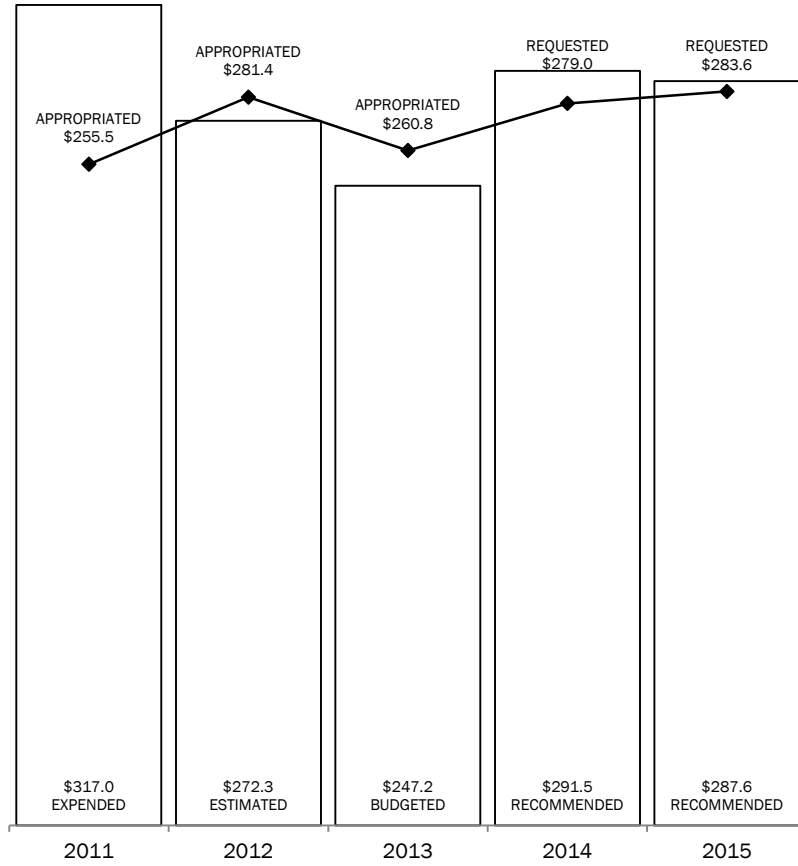
	<b>FY 2013 Budgeted</b>	<b>FY 2015 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
<b>FTEs</b>	188.0	194.0	6.0	3.2%

The bill pattern for this agency (2014-15 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2014-15 biennium.

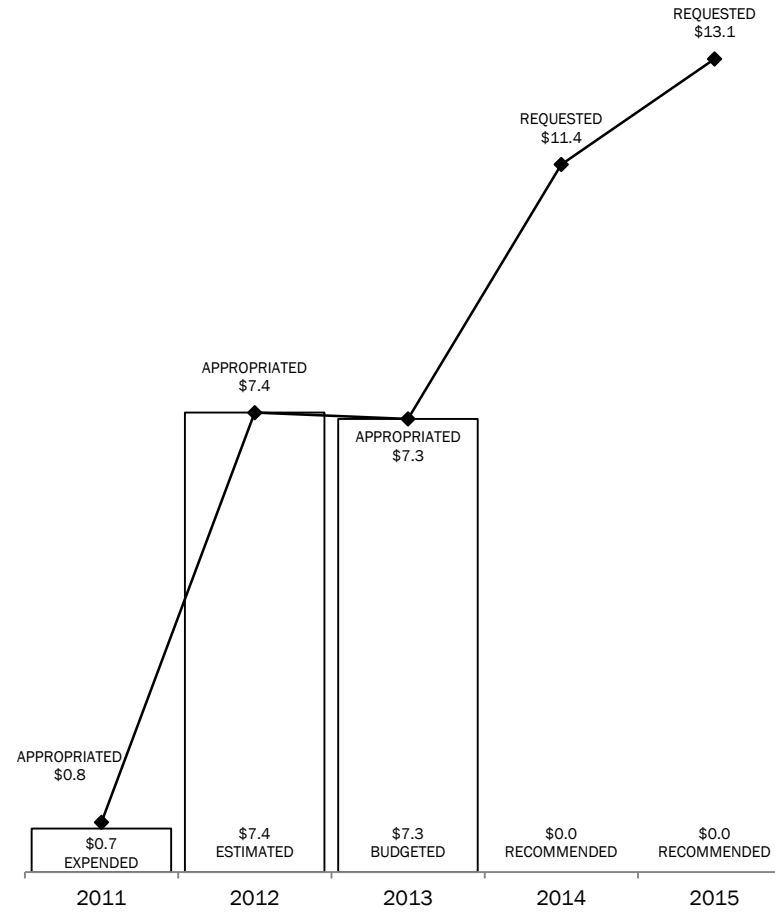
**Section 1**  
**Department of Information Resources**  
**2014-2015 BIENNIUM**  
 IN MILLIONS

TOTAL= \$579.1 MILLION

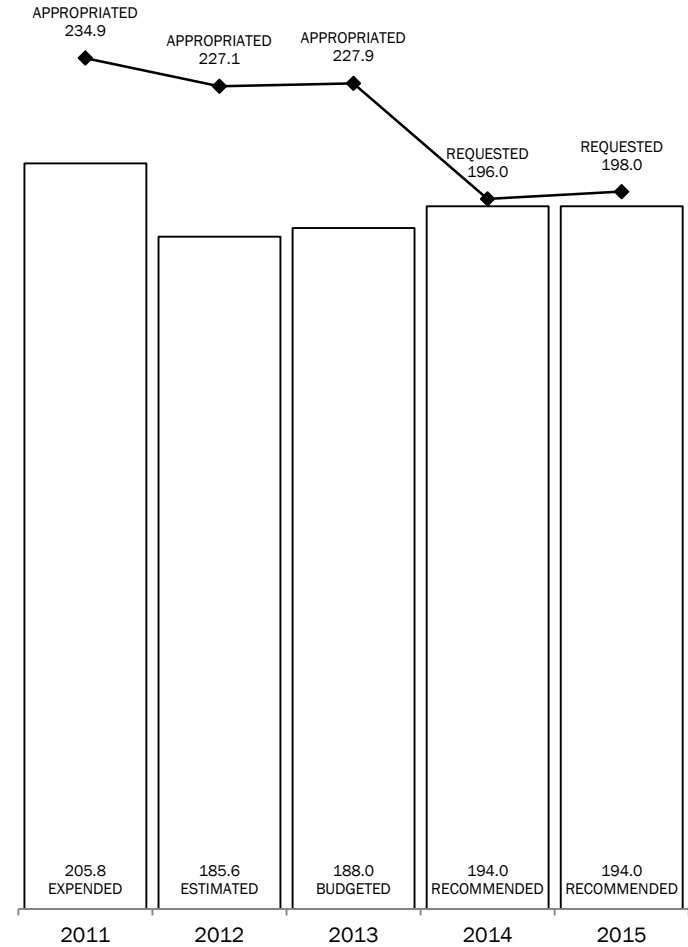
**ALL FUNDS**



**GENERAL REVENUE AND  
 GENERAL REVENUE-DEDICATED FUNDS**



**FULL-TIME-EQUIVALENT POSITIONS**



Section 2

**Department of Information Resources**  
**Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
					Recommendations eliminate funding for the agency out of General Revenue, reflecting a decrease of \$14.7 million for the following: a decrease of \$13.3 million in General Revenue for licensing and maintenance of the Comptroller's Centralized Accounting and Payroll/Personnel System (CAPPs), which are included in recommendations for the Comptroller of Public Accounts (see Selected Fiscal and Policy Issues, Issue #2) and a decrease of \$1.4 million reflecting a method of finance swap to shift funding of direct and indirect administration of Texas.gov to the Clearing Fund Account and Telecommunications Revolving Account (see Selected Fiscal and Policy Issues, Issue #1).
					Recommendations reflect a \$74.3 million increase in Other Funds including a increase of \$1.6 million out of the Clearing Fund Account primarily related to the method of finance swap for Texas.gov and carry forward of unexpended balances from the 2012-13 biennium to the 2014-15 biennium; a decrease of \$0.7 million out of the Telecommunications Revolving Account primarily related to shifting of costs for Goal A, Promote Efficient Information Resources Policies/Systems, to the Clearing Fund and decrease for Goal D, Indirect Administration; and an increase of \$73.4 million out of the Statewide Technology Account due to increased rates for data center services and increase in consumption of certain services by agencies.
STATEWIDE PLANNING A.1.1	\$609,153	\$608,924	(\$229)	(0.0%)	
RULE AND GUIDELINE DEVELOPMENT A.1.2	\$580,973	\$582,124	\$1,151	0.2%	
STATEWIDE SECURITY A.1.3	\$625,717	\$674,600	\$48,883	7.8%	
<b>Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS</b>	<b>\$1,815,843</b>	<b>\$1,865,648</b>	<b>\$49,805</b>	<b>2.7%</b>	
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	\$10,146,079	\$9,372,613	(\$773,466)	(7.6%)	
DATA CENTER SERVICES B.2.1	\$318,203,663	\$393,315,251	\$75,111,588	23.6%	
TEXAS.GOV B.2.2	\$1,099,149	\$944,262	(\$154,887)	(14.1%)	
SHARED SVCS AND/OR TECHNOLOGY CTRS B.2.3	\$0	\$0	\$0	0.0%	
<b>Total, Goal B, MANAGE COST-EFF SVC DEL OF IT</b>	<b>\$329,448,891</b>	<b>\$403,632,126</b>	<b>\$74,183,235</b>	<b>22.5%</b>	

Section 2

**Department of Information Resources**  
**Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
CAPITOL COMPLEX TELEPHONE C.1.1	\$5,967,462	\$6,779,888	\$812,426	13.6%	
NETWORK SERVICES C.2.1	\$152,309,686	\$153,514,102	\$1,204,416	0.8%	
NETWORK & TELECOM SECURITY SERVICES C.2.2	\$1,233,535	\$680,776	(\$552,759)	(44.8%)	
<b>Total, Goal C, TELECOMMUNICATIONS</b>	<b>\$159,510,683</b>	<b>\$160,974,766</b>	<b>\$1,464,083</b>	<b>0.9%</b>	
CENTRAL ADMINISTRATION D.1.1	\$6,588,382	\$5,309,432	(\$1,278,950)	(19.4%)	
INFORMATION RESOURCES D.1.2	\$20,952,580	\$5,875,618	(\$15,076,962)	(72.0%)	
OTHER SUPPORT SERVICES D.1.3	\$1,183,872	\$1,434,952	\$251,080	21.2%	
<b>Total, Goal D, INDIRECT ADMINISTRATION</b>	<b>\$28,724,834</b>	<b>\$12,620,002</b>	<b>(\$16,104,832)</b>	<b>(56.1%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$519,500,251</b>	<b>\$579,092,542</b>	<b>\$59,592,291</b>	<b>11.5%</b>	

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**Department of Information Resources**  
**Summary of Recommendations - House, By Method of Finance -- GENERAL REVENUE FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
					Recommendations, unless otherwise indicated below, reflect a method of finance swap of \$1.4 million to fund Texas.gov direct and indirect administrative costs out of the Clearing Fund Account (\$0.7 million) and Telecommunications Revolving Account (\$0.7 million). (See Selected Fiscal and Policy Issues, Issue #1).
STATEWIDE PLANNING A.1.1	\$0	\$0	\$0	0.0%	
RULE AND GUIDELINE DEVELOPMENT A.1.2	\$0	\$0	\$0	0.0%	
STATEWIDE SECURITY A.1.3	\$0	\$0	\$0	0.0%	
<b>Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	\$0	\$0	\$0	0.0%	
DATA CENTER SERVICES B.2.1	\$0	\$0	\$0	0.0%	
TEXAS.GOV B.2.2	\$1,099,149	\$0	(\$1,099,149)	(100.0%)	
<b>Total, Goal B, MANAGE COST-EFF SVC DEL OF IT</b>	<b>\$1,099,149</b>	<b>\$0</b>	<b>(\$1,099,149)</b>	<b>(100.0%)</b>	
CAPITOL COMPLEX TELEPHONE C.1.1	\$0	\$0	\$0	0.0%	
NETWORK SERVICES C.2.1	\$0	\$0	\$0	0.0%	
NETWORK & TELECOM SECURITY SERVICES C.2.2	\$0	\$0	\$0	0.0%	
<b>Total, Goal C, TELECOMMUNICATIONS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
CENTRAL ADMINISTRATION D.1.1	\$131,768	\$0	(\$131,768)	(100.0%)	
INFORMATION RESOURCES D.1.2	\$13,436,796	\$0	(\$13,436,796)	(100.0%)	In addition to decreases related to the method of finance swap for Texas.gov (\$0.1 million), recommendations reflect transfer of \$13.3 million in General Revenue Funds to the Comptroller's office for the Centralized Accounting and Payroll/Personnel System (CAPPS). (See Selected Fiscal and Policy Issues, Issue #2).
OTHER SUPPORT SERVICES D.1.3	\$23,678	\$0	(\$23,678)	(100.0%)	
<b>Total, Goal D, INDIRECT ADMINISTRATION</b>	<b>\$13,592,242</b>	<b>\$0</b>	<b>(\$13,592,242)</b>	<b>(100.0%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$14,691,391</b>	<b>\$0</b>	<b>(\$14,691,391)</b>	<b>(100.0%)</b>	

Section 2

Department of Information Resources  
 Summary of Recommendations - House, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
					Recommendations for strategies in Goal A, Promote Efficient Information Resources Policies/Systems, reflect an agency requested method of finance swap to shift funding to the Clearing Fund Account, resulting in a decrease of \$0.9 million out of the Telecommunications Revolving Account and a decrease of \$0.4 out of the Statewide Technology Account offset by an increase of \$1.4 million out of the Clearing Fund Account.
STATEWIDE PLANNING A.1.1	\$609,153	\$608,924	(\$229)	(0.0%)	
RULE AND GUIDELINE DEVELOPMENT A.1.2	\$580,973	\$582,124	\$1,151	0.2%	
STATEWIDE SECURITY A.1.3	\$625,717	\$674,600	\$48,883	7.8%	Recommendations reflect an increase for funding for full staffing levels of 3.0 FTEs.
<b>Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS</b>	<b>\$1,815,843</b>	<b>\$1,865,648</b>	<b>\$49,805</b>	<b>2.7%</b>	
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	\$10,146,079	\$9,372,613	(\$773,466)	(7.6%)	Recommendations reflect reductions primarily related to completion of re-procurement and transition of service providers for Data Center Services funded out of the Clearing Fund Account (decrease of \$3.6 million) offset by an increase for full staffing levels of 35.2 FTEs (\$0.8 million); reallocation of internal Data Center costs from Strategy D.1.2, Information Resources (\$0.8 million); and carry forward of unexpended balances of \$1.2 million out of the Clearing Fund Account.
DATA CENTER SERVICES B.2.1	\$318,203,663	\$393,315,251	\$75,111,588	23.6%	Recommendations reflect an increase in costs for current obligations under Data Center Services related to increased rates for services under new service provider contracts and increase in consumption of certain services, such as application servers and tape storage, by agencies. (See Selected Fiscal and Policy Issues, Issue #4).
TEXAS.GOV B.2.2	\$0	\$944,262	\$944,262	100.0%	Recommendations reflect a method of finance swap to shift funding for Texas.gov from General Revenue to the Clearing Fund Account (\$0.5) and Telecommunications Revolving Account (\$0.5). (See Selected Fiscal and Policy Issues, Issue #1).
<b>Total, Goal B, MANAGE COST-EFF SVC DEL OF IT</b>	<b>\$328,349,742</b>	<b>\$403,632,126</b>	<b>\$75,282,384</b>	<b>22.9%</b>	

Section 2

**Department of Information Resources**  
**Summary of Recommendations - House, By Method of Finance -- OTHER FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
CAPITOL COMPLEX TELEPHONE C.1.1	\$5,967,462	\$6,779,888	\$812,426	13.6%	Recommendations reflect increase in costs related to telecommunications infrastructure and software license expenses out of the Telecommunications Revolving Account.
NETWORK SERVICES C.2.1	\$152,309,686	\$153,514,102	\$1,204,416	0.8%	Recommendations reflect decrease in long distance service per unit (or per minute) rates (\$0.8 million) offset by reallocation of internal Data Center Services costs (\$0.3 million) and carry forward of unexpended balances of \$1.7 million out of the Telecommunications Revolving Account.
NETWORK & TELECOM SECURITY SERVICES C.2.2	\$1,233,535	\$680,776	(\$552,759)	(44.8%)	Recommendations reflect a decrease for 4.0 FTEs (\$0.3 million) and software maintenance fees (\$0.2 million) out of the Telecommunications Revolving Account.
<b>Total, Goal C, TELECOMMUNICATIONS</b>	<b>\$159,510,683</b>	<b>\$160,974,766</b>	<b>\$1,464,083</b>	<b>0.9%</b>	
CENTRAL ADMINISTRATION D.1.1	\$6,456,614	\$5,309,432	(\$1,147,182)	(17.8%)	Recommendations reflect an increase in the Clearing Fund Account (\$0.1 million) and the Telecommunications Revolving Account (\$0.1 million) related to the method of finance swap for Texas.gov, offset by decrease of \$1.3 million primarily related to an agency initiated reduced staffing levels from 38.5 FTEs in fiscal year 2012 to 29.4 FTEs in the 2014-15 biennium.
INFORMATION RESOURCES D.1.2	\$7,515,784	\$5,875,618	(\$1,640,166)	(21.8%)	Recommendations reflect an increase in the Clearing Fund Account (\$0.1 million) and the Telecommunications Revolving Account (\$0.1 million) related to the method of finance swap for Texas.gov, offset by a reallocation of a portion of the agency's internal Data Center Services costs to Strategy B.1.1, Contract Administration of IT Commodities and Services, and to Strategy C.2.1, Network Services (decrease of \$1.0 million) and reduced allocation of costs related to personal computer seat management expenses (\$0.8 million).
OTHER SUPPORT SERVICES D.1.3	\$1,160,194	\$1,434,952	\$274,758	23.7%	Recommendations reflect an increase in the Clearing Fund Account and Telecommunications Account related to the method of finance swap for Texas.gov (\$0.1 million) and increase for full staffing of 7.0 FTEs (\$0.2 million).
<b>Total, Goal D, INDIRECT ADMINISTRATION</b>	<b>\$15,132,592</b>	<b>\$12,620,002</b>	<b>(\$2,512,590)</b>	<b>(16.6%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$504,808,860</b>	<b>\$579,092,542</b>	<b>\$74,283,682</b>	<b>14.7%</b>	

**Department of Information Resources  
Selected Fiscal and Policy Issues**

1. **Texas.gov.** Recommendations incorporate a method of finance swap of \$1.4 million for funding of direct and indirect administration of Texas.gov from General Revenue Funds to the Clearing Fund Account (\$0.7 million) and the Telecommunications Revolving Account (\$0.7 million). Senate Bill 1, Eighty-second Legislature, First Called Session, 2011, authorizes the use of the Clearing Fund Account, Telecommunications Revolving Account and Statewide Technology Account to provide shared information resources technology services under Government Code, Chapter 2054, which includes authorization for Texas.gov. It is anticipated that the additional revenue will need to be generated or unexpended balances utilized to fund additional costs out of the Clearing Fund for Texas.gov. It is not anticipated that the rates and pricing for Telecommunications services would be significantly impacted.
2. **Centralized Accounting and Payroll/Personnel System (CAPPS).** In the current biennium, the Department of Information Resources (DIR) was appropriated \$13.3 million in General Revenue Funds to support an Interagency Contract with the Comptroller of Public Accounts (CPA) for licenses and maintenance of CAPPS. However, the system is part of the CPA's initiative to implement a statewide enterprise resource planning (ERP) system, and therefore recommendations reflect the transfer of funding for CAPPS from DIR to CPA. DIR was one of three agencies originally appropriated funds for development of the statewide ERP system through an Interagency Contract with CPA. DIR transitioned to the CAPPS financial system, along with the Central Texas Turnpike System of the Texas Department of Transportation, the Texas Department of Insurance, and CPA's internal accounting operations in fiscal year 2012.
3. **Limitations on Appropriations out of the Clearing Fund Account, Telecommunications Revolving Account and Statewide Technology Account.** Recommendations out of the Clearing Fund Account, Telecommunications Revolving Account and the Statewide Technology Account reflect continuation of limitations on appropriations of unexpended balances carried forward across biennia and revenue generated during the biennium. Recommendations also maintain provisions in Article IX, Section 9.07 (Section 18.15 in the 2012-13 General Appropriations Act), Payments to the Department of Information Resources, directing DIR to issue rebates to state agencies, institutions of higher education and local entities when balances of the three accounts exceed limitations outlined in the provision.
  - **Clearing Fund Account.** Recommendations maintain limitations set forth in Rider 3, DIR Clearing Fund Account, on expenditure of unexpended and unobligated balances (UB) carried forward across biennia and revenue generated during the biennium. Recommendations authorize the agency to expend up to \$7.2 million in fiscal year 2014 and \$7.4 million in fiscal year 2015 out of revenue generated during the biennium. Recommendations also limit the amount of UB the agency may carry forward and spend from fiscal year 2013 to fiscal year 2014 to an estimated \$1.2 million. This figure includes the end-of-fiscal year 2012 balances (\$0.6 million) which are not within the current appropriation authority of the agency due to the cap placed on appropriations of revenue. The anticipated UB also assumes similar end-of year balances in fiscal year 2013 (\$0.6 million) and exemption of rebate provisions in Article IX in fiscal year 2013. The agency would be authorized to expend additional UB and revenue above amounts identified in Rider 3, upon approval by the Legislative Budget Board (LBB). In addition, recommendations for Article IX continue to provide limitations on end-of-year balances that the agency is authorized to maintain at 10 percent of the total revenue processed through the account in the prior fiscal year. Balances exceeding this amount (estimated to be \$0.6 million) are subject to rebate provisions of Article IX, which may be waived or delayed by the LBB.



- Telecommunications Revolving Account.** Recommendations for appropriation authority out of the Telecommunications Revolving Account continue limitations on expenditure of revenue and UB carried forward across biennia in Rider 8, Telecommunications Revolving Account. Recommendations authorize the agency to expend up to \$83.4 million in fiscal year 2014 and \$82.4 million in fiscal year 2015 out of revenues generated during the 2014-15 biennium. Recommendations also maintain limitations on the amount of unexpended and unobligated balances of revenue the agency may carry forward from the 2012-13 biennium to \$1.7 million. This figure is based on unobligated balances of revenue estimated for the end of fiscal year 2012. Recommendations authorize the agency to request approval by the Legislative Budget Board to exceed limitations on UB and revenue to spend additional amounts above those identified in Rider 8. In addition, recommendations for Article IX, Section 9.07 Payments to the Department of Information Resources, modify limits on the balance of revenues the agency is authorized to maintain out of the Account from a two month operating reserve based on direct and indirect administrative costs to a two month operating reserve based on direct and indirect administrative costs with the exclusions of amounts for payments to vendors for telecommunication services (see table below for comparison of reserve calculations). Balances exceeding this amount are subject to rebate provisions of Article IX.
- Statewide Technology Account.** Recommendations for appropriation authority included in Rider 9, Statewide Technology Account continue limitations on expenditure of revenue generated during the 2014-15 biennium. Recommendations authorize the agency to expend up to \$197.8 million in each fiscal year of the biennium. Recommendations also continue to appropriate to the agency any unexpended and unobligated balances of revenues remaining at the end of fiscal year 2013, which are estimated to be \$0, and without limitations on expenditures out of the balances. The agency would be authorized to request approval by the Legislative Budget Board to exceed expenditures out of revenue above the amounts identified in Rider 9. In addition, recommendations for Article IX, Section 9.07 Payments to the Department of Information Resources, modify limits on the balance of revenues the agency is authorized to maintain out of the Account from a two month operating reserve based on direct and indirect administrative costs to a two month operating reserve based on direct and indirect administrative costs with the exclusions of amounts for payments to vendors for data center services (see table below for comparison of reserve calculations). Balances exceeding this amount are subject to rebate provisions of Article IX.

**Figure 1: Comparison of Two-Month Operating Reserve Calculations for the Telecommunications Revolving Account and the Statewide Technology Account**

	<b>Telecommunications Revolving Account</b>	<b>Statewide Technology Account</b>
<b>Two Month Operating Reserve (2012-13 GAA)</b>	\$14,083,811	\$27,695,997
<b>Two Month Operating Reserve less Amounts for Payments to Vendors (Recommendation)</b>	\$2,719,568	\$691,282
<b>Difference</b>	(\$11,364,243)	(\$27,004,715)

Note: Calculations are based on costs for fiscal year 2012 reported by the Department of Information Resources

Source: Legislative Budget Board and the Department of Information Resources

4. **Data Center Services.** Data center services (DCS) includes the consolidation of server, mainframe, network services, disaster recovery, data center facilities, print/mail operations and help desk functions related to data centers into the two state data centers.

Figure 2 below reflects agencies' estimated/budgeted expenditures for DCS during the 2012-13 biennium and recommended agency funding levels for the 2014-15 biennium. An increase of \$63.6 million in All Funds primarily reflects an increase in costs for current obligations related to increased rates for certain services under new service provider contracts and increase in consumption of certain services by agencies, such as application servers and tape storage. The increase also includes new initiatives that are deemed critical for agency operations, such as additional server and storage growth for an electronic data management system related to a risk assessment initiative of the Texas Department of Criminal Justice.

**Figure 2: Agencies Expended/Budgeted Amounts and Recommendations**

	<b>General Revenue Funds</b>	<b>General Revenue-Dedicated Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>All Funds</b>
2012-13 Estimated/Budgeted	\$125,279,454	\$26,127,281	\$115,595,091	\$59,662,678	\$326,664,504
2014-15 Introduced Bill – House Version	\$154,736,056	\$29,164,686	\$127,023,040	\$79,316,817	\$390,240,599
Differences	\$29,456,602	\$3,037,405	\$11,427,949	\$19,654,139	\$63,576,095

Source: Legislative Budget Board

5. **Sunset Review.** The agency has been reviewed by the Sunset Commission. The Commission met on January 9, 2013 and approved continuation of the agency for 8 years.

**Department of Information Resources  
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2011	Estimated 2012	Budgeted 2013	Recommended 2014	Recommended 2015
Cap	234.9	227.1	227.9	194.0	194.0
Actual/Budgeted	205.8	185.6	188.0	NA	NA
<b>Schedule of Exempt Positions (Cap)</b>					
Executive Director, Group 6	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000

Recommendations reflect a decrease in the FTE cap from fiscal year 2013 to fiscal year 2015 by 33.9 FTEs due to restructuring and downsizing efforts of the agency. Recommendations reflect an increase of 6.0 FTEs from budgeted fiscal year 2013 levels to recommended levels for the following areas:

- increase of 4.2 in Strategy B.1.1, Contract Administration of IT Commodities and Services;
- increase of 2.1 in Strategy B.2.1, Data Center Services;
- decrease of 1.0 in Strategy B.2.2, Texas.gov;
- increase of 1.0 in Strategy C.1.1, Capitol Complex Telephone;
- increase of 3.8 in Strategy C.2.1, Network Services;
- decrease of 3.6 in Strategy D.1.1, Central Administration; and
- decrease of 0.5 in Strategy D.1.2, Information Resources;

State Auditor's Office Report No. 12-708, *A Report on Executive Compensation at State Agencies*, indicates a market average salary of \$182,662 for the Executive Director of the Department of Information Resources. No change to the current Group 6 is recommended.

**Department of Information Resources  
Performance Measure Highlights**

	Expended 2011	Estimated 2012	Budgeted 2013	Recommended 2014	Recommended 2015
<ul style="list-style-type: none"> <li><i>Average Cost Per Rule, Guideline, and Standard Reviewed and Produced</i></li> </ul>	3,534.62	1,625	332.92	332.92	332.92
<i>Measure Explanation: Recommendations reflect continued anticipated decline based on decreases from fiscal year 2011 to fiscal year 2012.</i>					
<ul style="list-style-type: none"> <li><i>Percent of Monthly Minimum Service Level Targets Achieved for Data Center Services</i></li> </ul>	91.02	85.63	92	92	92
<i>Measure Explanation: Performance in fiscal year 2012 reflects a decrease related to transition of data center services to new service providers. Recommendations reflect an increase in the 2014-15 biennium related to anticipated performance improvements.</i>					
<ul style="list-style-type: none"> <li><i>Percent of Customers Satisfied with Data Center Services Contract Management</i></li> </ul>	58	0	95	95	95
<i>Measure Explanation: The agency did not conduct an annual survey to measure customer service satisfaction in fiscal year 2012 due to transition of data center services to new service providers. The agency has indicated that the first survey under the new service provides will be taken in February 2013. Recommendations reflect an increase in anticipated performance under new service providers.</i>					
<ul style="list-style-type: none"> <li><i>Total Contract Savings and Cost Avoidance Provided through DIR Contracts</i></li> </ul>	264,026,012	257,596,518	120,000,000	260,000,000	260,000,000
<i>Measure Explanation: Recommendations reflect an increase in targets due to performance levels in fiscal years 2011 and 2012.</i>					

**Section 4**

**Department of Information Resources (DIR)  
Performance Review and Policy Report Highlights**

Reports & Recommendations	Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
<b>Improve Online Distance Education at Community Colleges by Using Cooperative Contracts and Open Educational Resources</b>						
1. Include a rider directing DIR, in collaboration with the Texas Higher Education Coordinating Board, to consider if the state would benefit from preferred pricing and collaborative contracts for desired online distance education related products and services on behalf of Texas' universities and community college districts.	438				Rider 13	

**Department of Information Resources  
Rider Highlights**

2. (revise) **Capital Budget.** Revise rider based on funding for capital budget items included in recommendations, which reflects elimination of funding for the Comptroller of Public Accounts' Centralized Accounting and Payroll/Personnel System.
3. (revise) **DIR Clearing Fund Account.** Delete language on balance limitations which are maintained in Article IX, Section 9.07, Payments to the Department of Information Resources. Revise rider to provide estimated appropriations and revised amounts for unexpended and unobligated balances carried forward from the previous biennium and revenues generated during the 2014-15 biennium; include balances of any unencumbered revenues remaining in the Account at the end of fiscal year 2013 in the appropriation of unexpended and unobligated balances; and include all strategies in which recommendations provide funding out of the Clearing Fund Account, including strategies in Goal A, Promote Efficient Information Resources Policies/Systems, and Strategy B.2.2, Texas.gov.
6. (revise) **Texas.gov Project.** Revise rider to delete text referencing General Revenue appropriations for Texas.gov to reflect recommendations to fund the project out of the Clearing Fund Account and the Telecommunications Revolving Account. Also revise rider to update references from TexasOnline to Texas.gov. Rider would maintain monthly financial reporting requirements.
8. (revise) **Telecommunications Revolving Account.** Delete language on operating reserve authorization which is maintained in Article IX, Section 9.07, Payments to the Department of Information Resources. Also revise rider to provide estimated appropriations and revised amounts for unexpended and unobligated balances carried forward from the previous biennium and revenues generated during the 2014-15 biennium; include balances of any unencumbered revenues remaining in the account at the end of fiscal year 2013 in the appropriation of unexpended and unobligated balances; and include recommended funding out of the Account for Strategy B.2.2, Texas.gov.
9. (revise) **Statewide Technology Account.** Delete language on operating reserve authorization which is maintained in Article IX, Section 9.07, Payments to the Department of Information Resources. Revise rider to provide estimated appropriations of revenues generated during the 2014-15 biennium with revised estimates; include authority to carry forward to fiscal year 2014 any unencumbered revenues remaining in the account at the end of fiscal year 2013; and require the agency to submit to the LBB by September 15 of each even-numbered fiscal year a report detailing data center services costs by agency. Also revise language to limit LBB approval only for agency requests to expend funds out of revenues generated during the 2014-15 biennium above amounts identified in the rider.
10. (delete) **Contingency Appropriation for Clearing Fund Account: Information Technology Commodity Administrative Fee.** Delete rider due to (old) contingency being met for legislation (Senate Bill 2, Eighty-second Legislature, First Called Session, 2011) authorizing use of the Clearing Fund Account for promotion of statewide information resources policies and planning.

11. (revise) **Sunset Contingency.** Revise rider due to Sunset review.
11. (delete) **Contingency Appropriation for Telecommunications Revolving Account: Telecommunications Services Charge.** Delete rider due to contingency being met for legislation (Senate Bill 2, Eighty-second Legislature, First Called Session, 2011) authorizing use of the Telecommunications Revolving Account for promotion of statewide information resources policies and planning and for providing network security services.
12. (revise) **Reporting Requirements for Cost Recovery Activities.** Revise rider to delete references to legislation which were not enacted requiring reporting of administrative fees set by the agency. Also revise rider to include the Comptroller of Public Accounts as a recipient of the report by the agency detailing cost recovery activities and revise submission deadline to December 1 of each fiscal year; revision aligns with reporting requirements in renumbered Article IX, Section 9.07, Payments to the Department of Information Resources.
12. (delete) **Contingency Appropriation for Statewide Technology Account: Statewide Technology Administrative Fee.** Delete rider due to contingency being met for legislation (Senate Bill 2, Eighty-second Legislature, First Called Session, 2011) authorizing use of the Statewide Technology Account for promotion of statewide information resources policies and planning.
13. (new) **Statewide Contracts for Higher Education.** Add rider authorizing the agency to consult with the Texas Higher Education Coordinating Board regarding statewide contracts for online distance education products and services and to offer those products and services through the Cooperative purchasing program administered in Strategy B.1.1, Contract Administration of IT Commodities and Services.
- Art. IX, Sec. 9.07 (Old 18.15) (revise) **Payments to the Department of Information Resources.** Revise to delete references to Riders 3, 8, and 9 in agency bill pattern relating to the Clearing Fund Account, Telecommunications Revolving Account and the Statewide Technology Account. Revise subsection (a) relating to the Clearing Fund Account to specify end-of-fiscal year balances the agency is authorized to maintain to 10 percent of revenues processed in the prior fiscal year. Revise subsections (b) and (c) relating to the Telecommunications Revolving Account and Statewide Technology Account, respectively, to exclude vendor payments in calculations of the two month operating reserves.

**Section 6**

**Department of Information Resources  
Items not Included in Recommendations - House**

	<b>2014-15 Biennial Total</b>	
	<b>GR &amp; GR- Dedicated</b>	<b>All Funds</b>
1. Statewide Cyber Security Program - Continue Current Assessment Capabilities & Enhance Security Training and Awareness (1.0 FTE in fiscal year 2014 and 2.0 FTEs in fiscal year 2015). Funding for this item would provide policy upgrades in the areas of identity management and third party risk standards; ten additional state agency security assessments; increase in technical security training offerings and workforce awareness training to state agencies; upgrades to legacy agency system risk tool capabilities and implementation of enhanced cyber incident reporting tool capabilities at selected state agencies.	\$ 3,728,382	\$ 3,728,382
2. Statewide Cyber Security Program - Expand Policy and Governance Support, & Assessment and Training Capabilities (1.0 FTE in fiscal year 2014 and 2.0 FTEs in fiscal year 2015). Funding for this item would provide policy upgrades and development of identity management, security awareness, third party risk, data classification and secure software development standards; twenty additional state security assessments; full subscription access to agencies for security advisement and education services; expansion of technical security training and workforce awareness training offerings to additional state agencies and institutions of higher education; and expansion of upgrades to legacy agency system risk tool capabilities and implementation of enhanced cyber incident reporting tool capabilities to additional state agencies and institutions of higher education.	\$ 6,098,108	\$ 6,098,108
3. Revise Article IX, Section 9.07 Payments to the Department of Information Resources, to modify the two month operating reserve authorized for the Telecommunications Revolving Account to reflect the annual projected average reserve and to exclude payments to vendors which are billed by DIR to agencies within the allowable operating reserves for both the Telecommunications Revolving Account and the Statewide Technology Account		
4. Revise Rider 5, Cash Flow Contingency, to modify the amount of General Revenue the agency is authorized to borrow for cash flow purposes to 10 percent of projected annual revenue collected in the Clearing Fund Account, Telecommunications Revolving Account and Statewide Technology Account.		
<b>Total, Items Not Included in the Recommendations</b>	<b>\$ 9,826,490</b>	<b>\$ 9,826,490</b>