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Amanda Crawford, Executive Director

Charles Smith, LBB Analyst

Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$33,182,674	$61,638,314	$28,455,640	85.8%
GR Dedicated Funds	$0	$0	$0	0.0%
Total GR-Related Funds	*$33,182,674*	*$61,638,314*	*$28,455,640*	*85.8%*
Federal Funds	$201,055,654	$639,430	($200,416,224)	(99.7%)
Other	$1,164,220,664	$1,220,972,487	$56,751,823	4.9%
All Funds	**$1,398,458,992**	**$1,283,250,231**	**($115,208,761)**	**(8.2%)**

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	245.3	267.0	21.7	8.8%

Historical Funding Levels (Millions)
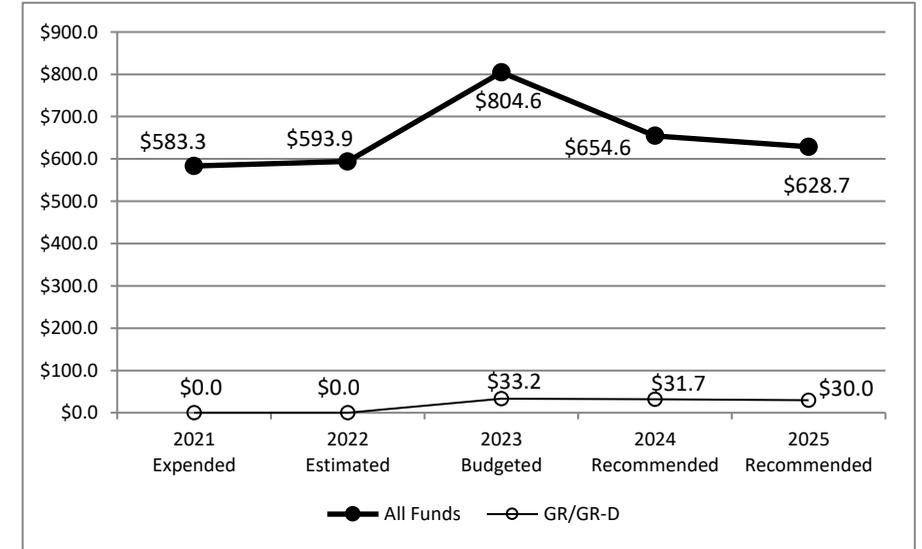
Historical Full-Time-Equivalent Employees (FTEs)
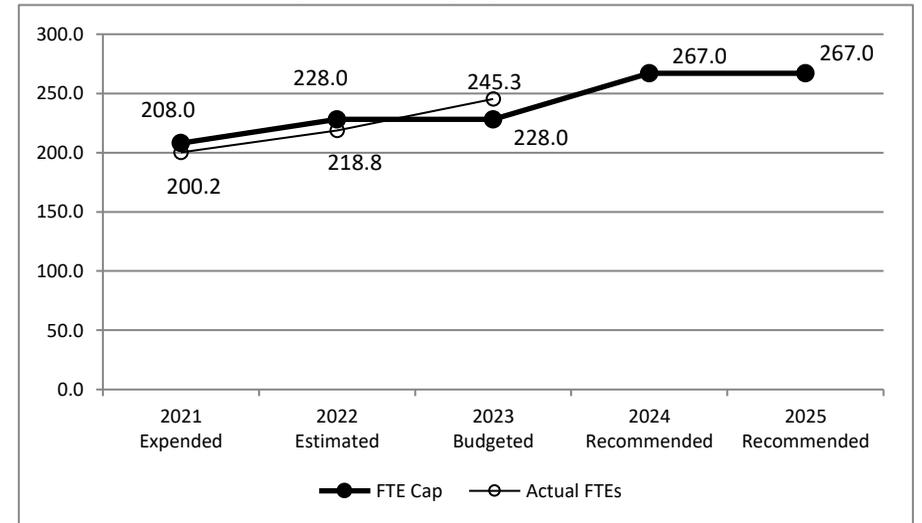
The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Department of Information Resources
Summary of Funding Changes and Recommendations - House

	Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
	SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):						
A)	Increase in utilization of Data Center/ Shared Technology Services by state agencies and local entities.	$0.0	$0.0	$0.0	$43.5	$43.5	B.2.1
B)	Decrease in consumption and costs for Telecommunications Services to state agencies and local entities.	$0.0	$0.0	$0.0	($1.7)	($1.7)	B.4.1, C.1.2
C)	Increase in Texas.gov for application maintenance and development.	$0.0	$0.0	$0.0	$4.7	$4.7	B.3.1
D)	Increase in operating costs for cybersecurity services. Includes procurement activity for Digital Identity Solution and Multifactor Authentication.	$0.0	$0.0	($0.4)	$7.4	$7.0	C.1.1, C.1.2
E)	Increase in General Revenue to reinstate funds that were lapsed for a method of finance swap with the agency's Clearing Fund (Other Funds), as authorized by Rider 11, Fund Balance Limitations in the 2022-23 biennium.	$17.4	$0.0	$0.0	($17.4)	$0.0	C.1.2
F)	Increase in General Revenue to fund agency request for expansion of Regional Security Operations Center program by providing 2 additional security centers.	$11.0	$0.0	$0.0	$0.0	$11.0	C.1.2
G)	Increase in Other Funds to fund 39.0 FTEs to address increases in workload primarily related to procurement and contract management functions.	$0.0	$0.0	$0.0	$7.5	$7.5	A.1.1, B.1.1, B.2.1, B.3.1, B.4.1, C.1.2, D.1.1, D.1.2, D.1.3
	OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):						
H)	Decrease primarily for one-time COVID-19 funding.	$0.0	$0.0	($200.0)	$0.0	($200.0)	C.1.2
I)	Increased procurement activity for Shared Technology Services and Texas.gov.	$0.0	$0.0	$0.0	$9.1	$9.1	B.2.1, B.3.1
J)	Increase in the agency's budgeted salaries, travel, and operating expenses.	$0.0	$0.0	$0.0	$0.4	$0.4	A.1.1,A.1.2, B.1.1, B.2.1, B.3.1, B.4.1, D.1.1, D.1.2, D.1.3
K)	Increase in Other Funds for the statewide salary adjustments.	$0.0	$0.0	$0.0	$3.3	$3.3	E.1.1
	TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	**$28.4**	**$0.0**	**($200.4)**	**$56.7**	**($115.2)**	As Listed
	SIGNIFICANT & OTHER Funding Increases	$28.4	$0.0	$0.0	$75.9	$104.3	As Listed
	SIGNIFICANT & OTHER Funding Decreases	$0.0	$0.0	($200.4)	($19.1)	($219.5)	As Listed

NOTE: Totals may not sum due to rounding.

Department of Information Resources
Selected Fiscal and Policy Issues - House

1. **Recommended Funding Increases.** Recommendations for the Department of Information Resources (DIR) provide an overall funding decrease of $115.2 million primarily due to a decline in federal funding of $200 million from the American Rescue Plan Act (ARPA). This was offset by an increase of $28.5 million in General Revenue for new cybersecurity initiatives and a net increase of $56.7 million in the agency's four operating accounts, all of which are Other Funds. Additionally, there is a $0.4 million decrease in federal funds from a Homeland Security grant through the Office of the Governor.

    Costs to Provide Direct Services. Recommendations include $1,125.5 million for vendor payments to provide telecommunication services, data center services, and operations of Texas.gov. This reflects a net increase of $46.4 million over the 2022-23 biennium.

Figure 1. Cost of Services

Program an Operating Account	2024-25 Recommendation	Increase/(Decrease) from 2022-23	Description
Statewide Technology Account: Shared Technology Services (STS) & Data Center Services (DCS)	$822.1 million	$43.5 million	Provides mainframe, server, network, data center, print/mail, security, and application development services. Increase is due to customer demand.
Telecommunications Revolving Account: Capitol Complex Telephone System (CCTS) & Texas Agency Network (TEX-AN)	$216.2 million	($1.7 million)	Provides communications technology services (CTS) for voice, data, wireless, and internet services, including TEX-AN and the Capitol Complex Telephone System (CCTS). Decrease is due to forecasted consumption.
Statewide Network Applications Account: Texas.gov	$87.2 million	$4.7 million	Provides payment processing, application development, and customer services through the Texas.gov portal. Increase is driven by application maintenance and development.

Agency Operations and Cybersecurity Funding. Recommendations provide $154.4 million for the agency's operating expenses related to managing the cost-recovery programs, statewide rule and policy functions, statewide cybersecurity services, and indirect administration. This is an increase of $35.0 million over the 2022-23 biennium. Recommended funding reflects budgeted FTEs and salaries at fully staffed levels, plus the addition of 39.0 new agency FTEs, the administrative allocation of the DCS/STS capital budget and IT support services, market research and procurement assistance, and cybersecurity.

The only General Revenue or Federal Funds appropriated to the agency are for its cybersecurity initiatives. Recommended funding levels include an increase of $28.5 million in General Revenue for Multifactor Authentication (MFA), Endpoint Detection and Response (EDR), Security Operations Centers (SOCs), and security assessments. Rider 11, Fund Balance Limitations, of the agency's bill pattern grants authority for the agency to use its Clearing Fund balances above 10% of total revenue from the Cooperative Contracts Program on cybersecurity projects in lieu of General Revenue. Based on revenue projections, the agency reflected a return of $17.4 million to the General Revenue Fund during the 2022-23 biennium using a method of finance swap with the Clearing Fund. Recommendations restore this amount to the agency's General Revenue funding in the 2024-25 biennium.

2. **Data Center Services.** Recommendations align funding for Shared Technology Services (STS), also referred to as Data Center Services (DCS), at 46 state agencies. Recommended funding levels total $830.2 million and reflect at a minimum, DIR's estimate of the funding needed to maintain current obligations at customer agencies. In addition, recommendations for STS capital budget items may include amounts higher than DIR estimates, if the agency allocated additional funding within their baseline request. Current obligations include maintenance of current service levels, including DCS projects and services initiated by the agencies during the 2022-23 biennium. Total funding for STS/DCS across the 46 affected agencies is shown in Figure 2 below. The table includes the agencies with the largest biennial changes in funding as compared to forecasted expenditures for the 2022-23 biennium, as estimated by DIR.

Figure 2. Changes in funding for Data Center Services/ Shared Technology Services

Agency	2022-23 Forecasted	2024-25 Recommended	Increase/ (Decrease)	Cost Drivers
Health and Human Services	$144.2 million	$176.8 million	$32.6 million	Continuation of 20 new projects initiating in FY23, adjustments to onboard Software-as-a-Service (SaaS) purchased outside of DCS, and Microsoft 365 Defender services.
Department of Criminal Justice	$46.8 million	$62.5 million	$15.7 million	Continued usage of FY23 rate card resources to support Corrections Information Technology System (CITS) mainframe migration, addition of 24,350 Microsoft Office 365 accounts with active directory/ support, and additional application development resource roles for modernization projects
Department of Transportation	$106.7 million	$120.5 million	$13.8 million	Public cloud increases related to existing services, and continuation of Payment Card Industry (PCI) compliance activities and managed firewall activities under Managed Security Services (MSS) through DCS.
Family and Protective Services	$26.7 million	$36.6 million	$9.9 million	Services previously purchased outside of DCS, adjustment for Exadata (Oracle) platform refresh, and continuation of 4 projects initiated during the 2022-23 biennium.
Department of Motor Vehicles	$21.8 million	$26.9 million	$5.1 million	Increases for Microsoft support, maintenance, and enhanced support for 50 new Microsoft Office 365 accounts, new web application penetration testing services, disaster recovery and replicated storage project, facility controls for server refresh, and non-consolidated server relocation project for multiple applications.,
Department of Insurance	$15.0 million	$18.0 million	$3.0 million	Increases for Microsoft support and enhanced sourcing support, Azure public cloud services, new security initiatives, new code analyzer hardware/software, disaster recovery enhancements, expansion to support in-house developed applications, and incorporating Software-as-a-service (SaaS) contracts purchased outside of DCS.
Office of the Attorney General	$146.9 million	$119.2 million	$(27.7) million	Decrease is due primarily to the decision not to fund phase 3 of the child support system in the introduced version of the General Appropriations Act.

State Health Services	$109.2 million	$68.8 million	$(40.4) million	Decrease is primarily related to the completion of two large multi-year application development projects in FY2024 that were initiated in FY22-23.
Subtotal – Agencies Shown Above	$617.5 million	$629.3 million	$12.0 million	
Subtotal – ALL OTHER AGENCIES	$218.7 million	$200.9 million	($17.8 million)	
TOTAL – ALL AGENCIES	**$836.1 Million**	**$830.2 Million**	**$(6.0) Million**	

Totals may not sum due to rounding.

Summary of Major Data Center Services Contracts Awarded as of Fiscal Year 2023

Figure 3. Summary of Contracts Awarded.

Service	Vendor	Description	4-Year Base Contract Value	Optional Contract Renewal Terms	Total 8-Year Contract Value
Mainframe Services	Atos Governmental IT Outsourcing Services, LLC	The Mainframe service (MFS) provides fully managed mainframe platforms, hosted out of the Texas Private Cloud Data Centers, for DIR's customers.	$122,762,419	111,861,234 Renewal Term of four one-year extension options through August 31, 2028	$234,623,653
Print, Mail, and Digitization	Xerox Corporation	Print, Mail, and Digitization Services includes large, recurring, and one-time print jobs of various sizes and complexities that are sorted, inserted, and mailed, leveraging volume postal discounts. Contract also allows for digitization of records. Services are delivered from the state's Austin Data Center.	$76,195,119	$74,558,182 Renewal Term of four one-year extension options through August 31, 2028	$150,753,301
Private Cloud	Atos Governmental IT Outsourcing Services, LLC	The Texas Private Cloud (TPC) provides Data Center facilities, network management services and server computing services for DIR's customers.	$250,743,489	$237,077,663 Renewal Term of four one-year extension options through August 31, 2028	$487,821,152
Public Cloud	Rackspace US, Inc.	The Public Cloud Manager provides cloud computing operational support, technical and security assurances, and onboarding of public cloud services through AWS, Azure, and Google.	$493,235,789	$626,121,687 Renewal Term of four one-year extension options through August 31, 2028	$1,119,357,476

Security Operations Services	Science Applications International Corporation	Security Operations Services is responsible for cybersecurity policies, oversight, and monitoring of the Data Center Services infrastructure.	$53,170,453	$51,736,563 Renewal Term of four one-year - extension options through August 31, 2028	$104,907,017
Technology Solution Services	Deloitte Consulting LLP	Technology Solution Services (TSS) provides managed application services including application development, maintenance, and staff augmentation services for applications hosted in the DCS program's public and private clouds.	$39,385,626	$42,681,937	$82,067,563
Managed Security Services	AT&T	Managed Security Services (MSS) provides data security to state and local entities including security monitoring and device management services, incident response services, and risk and compliance services.	$109,951,836	$68,143,259 Base term through August 31, 2021 Optional renewals up to 4 years through August 31, 2025.	$178,095,095
Multi-sourcing Service Integrator	Capgemini	The vendor provides application development, application maintenance and support, business intelligence (BI) and data warehouse, IT assessments/ planning, enterprise resource planning, IT project management, technology migration/upgrade, and independent verification/validation through deliverables-based information technology services (DBITS).	$106,132,916	$105,080,450 Base term through August 31, 2022 Optional renewals up to 4 years through August 31, 2026.	$211,213,366

Source: Department of Information Resources

3. **Informational: DIR Administrative Fees.** Figure 4 provides the estimated administrative fee rates charged by DIR for the 2024-25 biennium. These fees were approved by the agency's board for fiscal year 2023 and apply across the 2024-25 biennium. No rate increases were adopted by the board for fiscal years 2024-25.

Figure 4. DIR Administrative Fees

Program	Administrative Fee Rates	Account
Cooperative Contracts	Fees are paid to DIR by vendors who sell goods and services to eligible customers. Vendor prices charged to customers for IT commodities and services include the DIR administrative fee. Actual fees vary by contract. • Average fee: 0.68 percent • Maximum fee: 1.0 percent Fee rates are capped at 2.0 percent per Rider 3, DIR Clearing Fund Account.	Clearing Fund (Appropriated Receipts)
Telecommunications Capitol Complex Telephone System (CCTS), Texas Agency Network (TEX-AN), and Wireless Services	Delivers CCTS, TEX-AN statewide telecommunications, and wireless services to customers. Services are divided into three categories for fee setting. • 12 percent for TEX-AN vendor-provided services (voice and data services) billed by DIR. • Variable pricing based on service type for DIR-provided services (CCTS line charges, voice mail, data). • 2 percent for Go DIRect Wireless and Conferencing Services. • 4 percent for GO-DIRect TEXAN-NG services, including Local Services. • 0.5 percent for GO-DIRect Managed Services. Fee rates are not capped.	Telecommunications Revolving Account (Appropriated Receipts and Interagency Contracts)
Data Center Services/ Shared Technology Services (DCS/STS)	Administrative fee charged to DSC customers. Fee is applied to the monthly customer invoice based on amounts charged by DCS vendors. • 2.95 percent of DCS costs billed by contracted service providers. Fee is uncapped. The agency must receive written approval from the Legislative Budget Board and Office of the Governor before increasing the fee, pursuant to Rider 9, Statewide Technology Account.	Statewide Technology Account (Appropriated Receipts and Interagency Contracts)

Texas.gov	Actual fees vary by service and governmental entity. Fees per transaction generally include one of the following fees:
	• Transaction fees, which typically include both fixed fee and variable fee components:
	    ○ Fixed fees range from $0.02 to $10.00 per transaction
	    ○ Variable fees range from 2.25 percent to 2.75 percent of the transaction cost;
	• Convenience fees ranging from $1 to $10 per transaction; or
	• Subscription fee ranging from $2 to $5 per individual licenses and 3% for facility licenses.
	Fees and charges are not capped.
		Statewide Network Applications Account (Appropriated Receipts and Interagency Contracts

4. **Additional Agency Full Time Equivalents (FTEs).** Recommendations include the agency request for 39.0 FTEs to address increases in workload. The majority of the new FTEs would go to Procurement & Contract Management and Operations. Estimated ongoing staffing costs for this request are $3.8 million per fiscal year, and will be funded out of the agency's program accounts (Other Funds).

5. **Regional Security Operations Center (RSOC) 2.0.** Recommendations include funding the agency request for $11.0 million in General Revenue under Strategy C.1.2, Security Services, for the expansion of the RSOC program. Funding would provide two additional security centers at UT Austin and UT Rio Grande Valley.

6. **Rider 11, Fund Balance Limitations – Telecommunications Revolving Account.** Recommendations include revising Rider 11, Fund Balance Limitations, to allow unexpended balances in the Telecommunications Revolving Account at the end of each fiscal year to be used for cybersecurity purposes as defined by Rider 12, Security Services to State Agencies and Institutions of Higher Education, if the amounts exceed 4% of the revenue from Telecommunications services. The rider currently requires the excess balances to be refunded to customers unless the requirement is waived by the Legislative Budget Board (LBB). According to the agency's FY22 end-of-year board book, they will be carrying a balance of $576,052 into 2023 that will need to be rebated to agencies or the agency will need to request that the requirement be waived. For fiscal years 2023 through 2025, the estimated amount is $0. The agency and recipient agencies report this to be an administrative burden, and revising the rider would align with the treatment of excess fund balances in the Clearing Fund.

Department of Information Resources
Rider Highlights - House

Modification of Existing Riders

2. **Capital Budget.** Recommendations revise rider to align with budget recommendations:
   - Revise Daily Operations – Increase by $246,000 due to increased cost of contractors through the IT Staff Augmentation Contracts (ITSAC) and Shared Technology Services (STS), as well as the need for application modernization and enhancements outlined in the agency's IT Modernization Plan.
   - Revise Data Center Consolidation – Increase by $3.1 million for increased need to build out and mature the agency's server and database infrastructure to provide development, testing, staging and production for all agency applications and datasets, and shift costs for software-as-a-service (SaaS) purchases from Cooperative Contracts to DCS/STS.
   - Revise Personal Computer Purchase – Increase by $500,000 due to increased device costs and switching from a 5-year to a 3-year refresh cycle to align with state recommendations.

3. **DIR Clearing Fund Account.** Recommendations revise rider to align unencumbered balances and revenues with recommended funding level out of the Clearing Fund Account.

6. **Texas.gov Project and the Statewide Network Applications Account.** Recommendations revise rider to:
   - Align unencumbered balances and revenues with recommended funding level out of the Statewide Network Applications Account.
   - Change the frequency of financial reporting requirement of expenditures from monthly to quarterly.
   - Include the reporting requirement of receipt of funds received by the agency for application development or enhancement with the quarterly financial reports.

8. **Telecommunications Revolving Account.** Recommendations revise rider to align unencumbered balances, revenues, and operating costs with recommended funding level out of the Telecommunications Revolving Account.

9. **Statewide Technology Account.** Recommendations revise rider to align unencumbered balances, revenues, and operating costs with recommended funding level out of the Statewide Technology Account.

11. **Fund Balance Limitations.** Recommendations revise rider to allow unexpended balances in the Telecommunications Revolving Account at the end of any fiscal year in excess of 4% of total revenue from Telecommunications services to be expended for cybersecurity purposes in lieu of General Revenue. Currently, these amounts must be returned to customer agencies unless this requirement is waived by the Legislative Budget Board (LBB).

Article IX Deleted Riders

9.07 **Server Consolidation Status Update.** Recommendations remove rider that requires agencies participating in the Shared Technology Services (STS) Program to report to the LBB and DIR on the status of their server consolidation. According to DIR, agencies have now migrated approximately 90% of server compute out of legacy data centers, and the consolidation goal has been substantially met.

9.11 **Staff Telecommunications Survey and Analysis.** Recommendations remove rider that requires agencies to survey their employees regarding their preferences on multiple forms of telecommunications hardware, voicemail, and other supplemental features for which the agency is assessed a premium. In addition to the survey, the rider tasks each agency with performing a cost analysis on savings achieved as a direct result of implementing the preferences expressed in the survey, and reporting findings to DIR, but there is no reporting requirement to the legislature.

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	E-Procurement Solution. Request is for funding to develop an e-procurement solution to modernize the legacy applications used for procurement and contracting. This would be funded through the agency's Clearing Fund (Other Funds).	$0	$3,950,000	0.0	Yes	Yes	$1,300,000
2)	Vendor Sales Reporting Portal (VSR). Request is for funding to modernize the agency's VSR portal used by vendors to report sales to DIR customers. The current legacy system is 14 years old, and the agency reports regular technical outages.	$0	$2,850,000	0.0	Yes	Yes	$1,568,000
3)	Cybersecurity Logs For APT Investigation. Request is for General Revenue funding in Strategy C.1.2, Security Services, to extend the retention logs from security tools used to investigate suspicious network activity. Advanced Persistent Threats (APTs) are often nation state actors who operate on a long term scale, and according to DIR, extended security logs are key to finding initial attack vectors. This funding would be used to add indexing hardware in order to increase the retention of the logs.	$2,000,000	$2,000,000	0.0	Yes	Yes	$3,020,000
4)	Authority for Executive Director Salary Increase. The agency is requesting an increase in authority only for the Executive Director exempt position from $209,591 in FY 2024 and $225,000 in FY 2025 in the introduced bill to $276,000 per year. The agency is also requesting a change from Group 6 classification to Group 9.	$0	$0	0.0	No	No	$0

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
Agency Rider Changes Not Included (in bill pattern order)							
1)	**Rider 2. Capital Budget.** Request to increase capital budget authority for the following projects: 1.) Personal Computer Purchases: Additional $58,500 for each fiscal year to account for PC refresh for 39 new FTE's. 2.) Data Center Consolidation: Additional $136,203 for FY 2024 and $142,013 for FY 2025 for Data Optimization Toolsets. Both items are capital authority only, no additional funding is requested.	$0	$0	0.0	No	No	$0
2)	**Rider 8. Telecommunications Revolving Account.** Request to revise rider to allow the agency to expend up to an additional 10% of amounts identified in the rider on operating and indirect administration without prior written approval from the Legislative Budget Board (LBB). The current language does not allow the agency to exceed rider amounts without approval. The request would also reduce the reporting requirement on actual spending by customer agencies on telecommunications services from a biannual schedule to an annual report.	$0	$0	0.0	No	No	$0
3)	**Rider 9. Statewide Technology Account.** Request to revise rider to allow the agency to expend up to an additional 10% of amounts identified in the rider on operating and indirect administration without prior written approval from the Legislative Budget Board (LBB). The current language does not allow the agency to exceed rider amounts without approval. Request would also reduce the reporting requirement of administrative fees collected and percentage charged to agencies from a biannual schedule to an annual report per Government Code 2054.0346.	$0	$0	0.0	No	No	$0

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
4)	**Article IX, Sec 9.04.** Request to delete rider requiring agencies and institutions who receive funds for the acquisition of information technology to perform a cost benefit analysis of leasing versus purchasing, as well as develop a PC replacement schedule. The analysis is based on DIR's "PC Life Cycles: Guidelines for Establishing Life Cycles for Personal Computers", a publication that has not been updated since 2013. The provision also allows DIR to coordinate bulk purchasing of hardware and software and requires DIR to biennially report on cost savings of bulk purchasing efforts.	$0	$0	0.0	Yes	Yes	$0
	TOTAL Items Not Included in Recommendations	$2,000,000	$8,800,000	0.0			$5,888,000

Department of Information Resources
Appendices - House

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* Appendix is not included - no significant information to report

Department of Information Resources
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
STATEWIDE PLANNING AND RULES A.1.1	$2,564,675	$2,790,758	$226,083	8.8%	Recommendations reflect a decrease of $0.2 million in Other Funds from salaries and other personnel costs offset by an increase of $0.4 million in professional fees and services and new agency FTEs.
INNOVATION AND MODERNIZATION A.1.2	$1,666,703	$1,762,998	$96,295	5.8%	Recommendations reflect a $0.1 million increase in Other Funds from salaries and professional fees.
Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS	**$4,231,378**	**$4,553,756**	**$322,378**	**7.6%**	
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	$10,509,041	$7,622,668	($2,886,373)	(27.5%)	Recommendations in the Clearing Fund (Other Funds) reflect decreases of $2.1 million in reallocated salaries, $1.6 million in decreased professional fees from staff augmentation, $0.5 million due to the transfer of software maintenance to the Shared Technology Services (STS) Program, and $0.2 million for other operating expenses. These are offset by an increase of $1.5 million for new agency FTEs.
SHARED TECHNOLOGY SERVICES B.2.1	$788,869,732	$840,849,365	$51,979,633	6.6%	Recommendations reflect an increase of $43.5 million due to customer utilization of services, $6.4 million for a procurement project related to the Next Gen Data Center Services, $1.2 million for new agency FTEs, $0.5 million for staff augmentation, and $0.4 million for increased capital budget support for the STS program and other fluctuations.
TEXAS.GOV B.3.1	$87,000,921	$95,751,472	$8,750,551	10.1%	Recommendations in the Statewide Network Applications Account (Other Funds) reflect an increase of $4.7 million in cost of services, $2.6 million for a procurement project related to Next Gen Texas.gov Managed Services, $0.8 million for new agency FTEs, $0.4 million for staff augmentation and $0.2 million for Data Center capital budget increase and other fluctuations.
COMMUNICATIONS TECHNOLOGY SERVICES B.4.1	$213,432,787	$213,088,626	($344,161)	(0.2%)	Recommendations in the Telecommunications Revolving Account (Other Funds) reflect a $2.8 million increase in salaries reallocated from other strategies as well as new agency FTEs, and a $0.2 million increase in operating expenses, offset by a net decrease of $3.3 million in operating expenses primarily due to forecasted consumption changes and cost reductions.
Total, Goal B, IT AND TELECOMMUNICATION SERVICES	**$1,099,812,481**	**$1,157,312,131**	**$57,499,650**	**5.2%**	

Department of Information Resources
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
SECURITY POLICY AND AWARENESS C.1.1	$2,459,691	$3,090,930	$631,239	25.7%	Recommendations in the Clearing Fund (Other Funds) reflect an increase $0.3 million in salaries for full budgeted FTEs and $0.3 million in professional fees for cybersecurity training services.
SECURITY SERVICES C.1.2	$279,096,437	$98,637,309	($180,459,128)	(64.7%)	Recommendations reflect a $1.6 million increase in salaries for Multi Factor Authentication (MFA), Regional Security Operations Center (RSOC), and Endpoint Detection & Response (EDR), $0.9 million for a procurement project related to Digital Identity Solution (TDIS) and MFA, and $17.0 million for various cybersecurity services including MFA, network security operations, regional security operations centers, security training and testing services, and other security services. Increase is offset by a reduction of $200.0 million from one-time Coronavirus State Fiscal Recovery (CSFR) funding.
Total, Goal C, PROMOTE EFFICIENT SECURITY	**$281,556,128**	**$101,728,239**	**($179,827,889)**	**(63.9%)**	
CENTRAL ADMINISTRATION D.1.1	$5,746,251	$6,209,930	$463,679	8.1%	Recommendations primarily reflect a $0.5 million increase for new agency FTEs and projected increases in professional fees and services due to inflation.
INFORMATION RESOURCES D.1.2	$5,845,192	$8,558,935	$2,713,743	46.4%	Recommendations reflect an increase in Other Funds of $1.2 million to the Data Center Services capital budget and $0.4 million for software moving into the capital budget, $0.6 million for new agency FTEs, and $0.5 million in the capital budget for PC replacement.
OTHER SUPPORT SERVICES D.1.3	$1,267,562	$1,565,424	$297,862	23.5%	Recommendations reflect $0.3 million for salary increases for fully budgeted FTEs and various other operating expenses.
Total, Goal D, INDIRECT ADMINISTRATION	**$12,859,005**	**$16,334,289**	**$3,475,284**	**27.0%**	
SALARY ADJUSTMENTS E.1.1	$0	$3,321,816	$3,321,816	100.0%	Recommmendations reflect an increase in Other Funds for statewide salary adjustments.
Total, Goal E, SALARY ADJUSTMENTS	**$0**	**$3,321,816**	**$3,321,816**	**100.0%**	
Grand Total, All Strategies	**$1,398,458,992**	**$1,283,250,231**	**($115,208,761)**	**(8.2%)**	

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	208.0	228.0	228.0	267.0	267.0
Actual/Budgeted	200.2	218.8	245.3	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 6	$194,182	$194,182	$194,182	$209,591	$225,000

Notes:
a) Fiscal years 2021 and 2022 reflect actual and estimated FTEs which are below the cap due to turnover and delays in backfilling vacant positions. FY2023 forecasts an FTE increase of 17.3 above their base. The increase is needed to fill new and vacant positions across the board, but primarily in the Chief Procurement Office. This is permitted by the 2022-23 General Appropriations Act, Article IX, Sec 6.10.

b) The State Auditor's Office is the source for the FY2021 and FY2022 annual average (actual) FTE levels.

c) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2022) indicates a market average salary of $217,371 for the Executive Director position. The report also recommends changing the salary classification group from Group 6 to Group 7.

d) Recommendations include an increase of 39.0 FTEs in the 2024-25 biennium, for a total of 267.0. The majority of new FTEs would support contracting & procurement, as well as operations.