

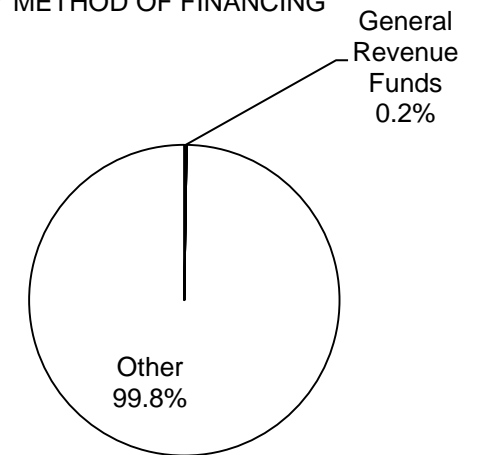
**Department of Information Resources  
Summary of Recommendations - Senate**

Page I-73  
Karen Robinson, Executive Director

Elizabeth Prado, LBB Analyst

<b>Method of Financing</b>	<b>2010-11 Appropriations</b>	<b>2010-11 Base</b>	<b>2012-13 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
General Revenue Funds	\$1,585,355	\$1,506,087	\$1,355,478	(\$150,609)	(10.0%)
GR Dedicated Funds	\$0	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$1,585,355</i>	<i>\$1,506,087</i>	<i>\$1,355,478</i>	<i>(\$150,609)</i>	<i>(10.0%)</i>
Federal Funds	\$0	\$0	\$0	\$0	0.0%
Other	\$533,464,723	\$641,582,769	\$562,297,647	(\$79,285,122)	(12.4%)
<b>All Funds</b>	<b>\$535,050,078</b>	<b>\$643,088,856</b>	<b>\$563,653,125</b>	<b>(\$79,435,731)</b>	<b>(12.4%)</b>

RECOMMENDED FUNDING  
BY METHOD OF FINANCING



	<b>FY 2011 Appropriations</b>	<b>FY 2011 Budgeted</b>	<b>FY 2013 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
<b>FTEs</b>	234.9	234.9	227.9	(7.0)	(3.0%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2012-13 biennium.

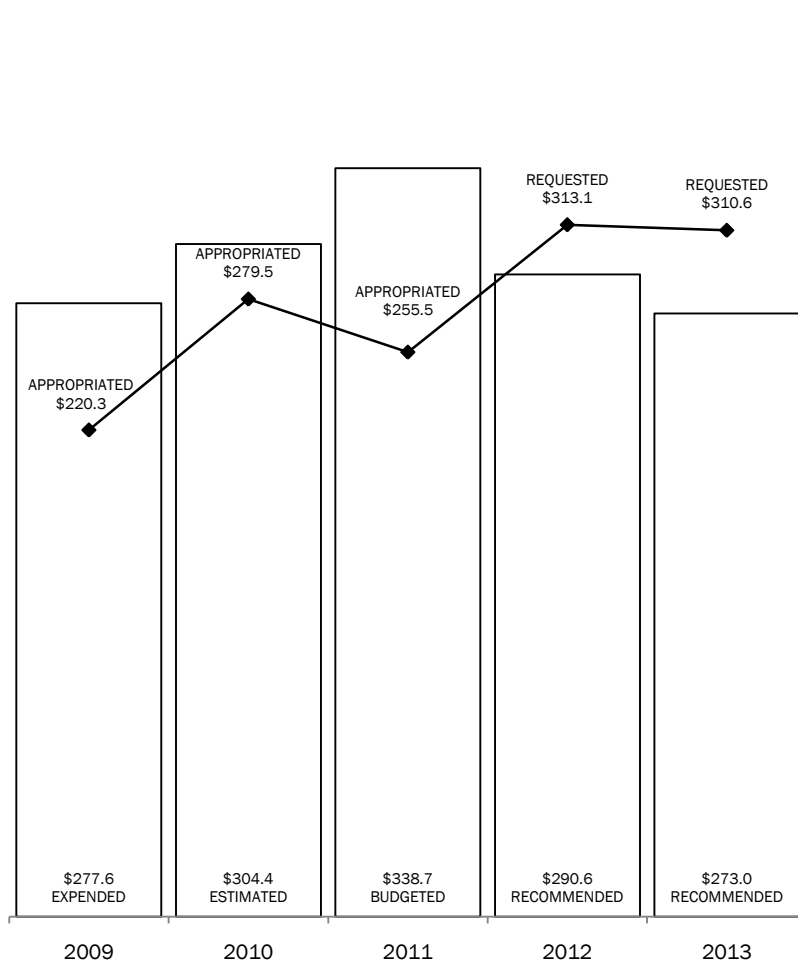
**Department of Information Resources**

2012-2013 BIENNIUM

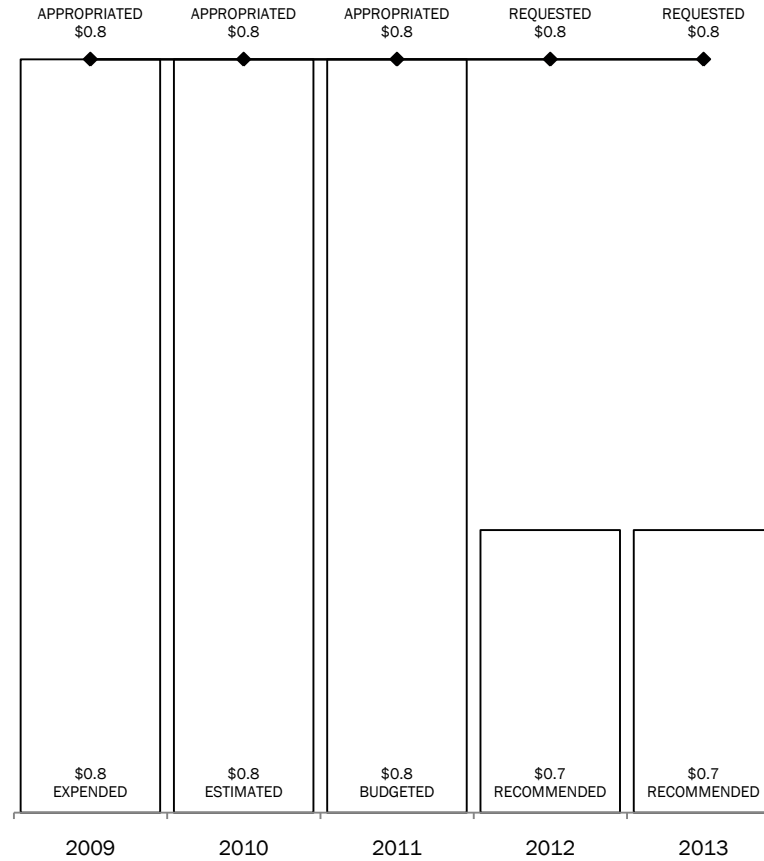
IN MILLIONS

TOTAL= \$563.6 MILLION

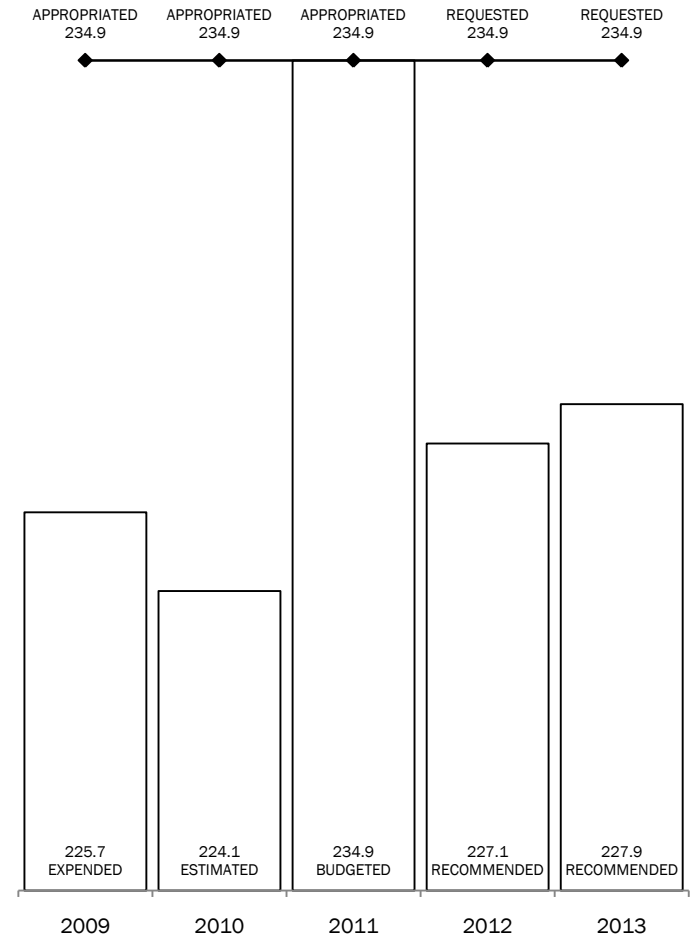
**ALL FUNDS**



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



**FULL-TIME-EQUIVALENT POSITIONS**



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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
STATEWIDE PLANNING A.1.1	\$1,109,989	\$829,288	(\$280,701)	(25.3%)	<p>Recommendations limit appropriations to revenue generated in the 2012-13 biennium and identified for each respective Account by rider from sales of information technology commodity items, telecommunications services, and data center services. In addition, the recommendations limit the amount of unexpended and unobligated balances carried forward from fiscal year 2011 to fiscal year 2012 in the Clearing Fund (\$3.7 million) and Telecommunications Revolving Accounts (\$0.7 million).</p> <p>Recommendations include a reduction of \$150,609 in General Revenue for salaries and professional fees and services related to the agency's 10 percent reduction option for expenditures related to the administration of the TexasOnline project. No negative impact to services or revenue to the state is anticipated as a result of the recommendation.</p> <p>Recommendations include additional appropriations contingent on the passage of legislation authorizing revenue collected from DIR's enterprise activities (Information Technology Commodity Cooperative Contracts, Telecommunications Services, and Data Center Services) to be used for statewide information resources policy and planning activities. Additionally, the recommendations include appropriations contingent on the passage of legislation authorizing revenue collected from Telecommunications Services to be used for network security activities.</p> <p>Recommendations include a reduction of 3 full-time equivalents for marketing activities of information technology commodity contracts.</p> <p>Recommendations include an agency-requested reallocation of 8.0 full-time equivalents and various operating expenses from Strategies A.1.1, Statewide Planning; A.1.2, Rule and Guideline Development; B.2.1, Data Center Services; C.2.1, Network Services; D.1.2, Information Resources; and D.1.3, Other Support Services to primarily Strategies B.2.1, Data Center Services; D.1.1, Central Administration; and D.1.3, Other Support Services.</p>

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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
RULE AND GUIDELINE DEVELOPMENT A.1.2	\$884,453	\$803,888	(\$80,565)	(9.1%)	
STATEWIDE SECURITY A.1.3	\$923,030	\$1,023,043	\$100,013	10.8%	
<b>Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS</b>	<b>\$2,917,472</b>	<b>\$2,656,219</b>	<b>(\$261,253)</b>	<b>(9.0%)</b>	
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	\$18,075,548	\$12,395,455	(\$5,680,093)	(31.4%)	
DATA CENTER SERVICES B.2.1	\$398,334,927	\$352,604,350	(\$45,730,577)	(11.5%)	
TEXASONLINE B.2.2	\$1,029,741	\$1,011,089	(\$18,652)	(1.8%)	
SHARED SVCS AND/OR TECHNOLOGY CTRS B.2.3	\$392,479	\$366,204	(\$26,275)	(6.7%)	
<b>Total, Goal B, MANAGE COST-EFF SVC DEL OF IT</b>	<b>\$417,832,695</b>	<b>\$366,377,098</b>	<b>(\$51,455,597)</b>	<b>(12.3%)</b>	
CAPITOL COMPLEX TELEPHONE C.1.1	\$11,098,603	\$8,971,942	(\$2,126,661)	(19.2%)	
NETWORK SERVICES C.2.1	\$184,561,307	\$165,399,007	(\$19,162,300)	(10.4%)	
NETWORK & TELECOM SECURITY SERVICES C.2.2	\$5,914,209	\$1,949,262	(\$3,964,947)	(67.0%)	
<b>Total, Goal C, TELECOMMUNICATIONS</b>	<b>\$201,574,119</b>	<b>\$176,320,211</b>	<b>(\$25,253,908)</b>	<b>(12.5%)</b>	
CENTRAL ADMINISTRATION D.1.1	\$6,418,988	\$7,678,273	\$1,259,285	19.6%	
INFORMATION RESOURCES D.1.2	\$12,794,958	\$8,685,279	(\$4,109,679)	(32.1%)	
OTHER SUPPORT SERVICES D.1.3	\$1,550,624	\$1,936,045	\$385,421	24.9%	
<b>Total, Goal D, INDIRECT ADMINISTRATION</b>	<b>\$20,764,570</b>	<b>\$18,299,597</b>	<b>(\$2,464,973)</b>	<b>(11.9%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$643,088,856</b>	<b>\$563,653,125</b>	<b>(\$79,435,731)</b>	<b>(12.4%)</b>	

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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					<p>The amounts identified out of the following accounts are contingent on the passage of legislation that would allow revenue collected from DIR's enterprise activities (Information Technology Commodity Cooperative Contracts, Telecommunications Services, and Data Center Services) to be used for statewide information resources policy and planning initiatives:            \$664,054 out of the Clearing Fund (Rider 10);            \$1,367,953 out of the Telecommunications Revolving (Rider 11); and            \$624,212 out of the Statewide Technology Accounts (Rider 12).</p> <p>Recommendations include a net reduction of \$0.3 million related to DIR's enterprise activities:            \$295,884 decrease for a one-time expenditure for a statewide information technology asset management tool;            \$82,946 decrease related to an agency-requested reallocation of 1.0 full-time equivalent (Systems Analyst) to Strategy B.2.1, Data Center Services;            \$20,129 decrease for an agency-requested decrease in travel expenses;            \$43,882 decrease for an agency-initiated reduction of 3.0 contractors (Geographic Information Systems programmers);            \$10,412 decrease for an agency-requested reallocation of various operating costs to Indirect Administration Strategies; and            \$192,000 increase related to a planned statewide cyber security exercise and training.</p>
STATEWIDE PLANNING A.1.1	\$1,109,989	\$829,288	(\$280,701)	(25.3%)	
RULE AND GUIDELINE DEVELOPMENT A.1.2	\$884,453	\$803,888	(\$80,565)	(9.1%)	
STATEWIDE SECURITY A.1.3	\$923,030	\$1,023,043	\$100,013	10.8%	
<b>Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS</b>	<b>\$2,917,472</b>	<b>\$2,656,219</b>	<b>(\$261,253)</b>	<b>(9.0%)</b>	

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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	\$18,075,548	\$12,395,455	(\$5,680,093)	(31.4%)	Recommendations include a decrease of \$5.7 million out of the DIR Clearing Fund Account for the following: \$1.8 million decrease for marketing activities including 3.0 full-time equivalents (1 Director, 1 Program Specialist, and 1 Analyst) and marketing materials such as printing costs for brochures and conference pamphlets; and \$3.9 million decrease primarily for contract remediation and procurement costs related to the Data Center Services contract.
DATA CENTER SERVICES B.2.1	\$398,334,927	\$352,604,350	(\$45,730,577)	(11.5%)	Recommendations include \$3,726,524 in unexpended and unobligated balances in fiscal year 2012 out of the DIR Clearing Fund Account. Recommendations include a decrease of \$45.7 million out of the Statewide Technology Account, including a reduction of \$53.9 million to align expenditures for DIR with affected agencies' appropriations for data center services, offset by an increase of \$9.6 million primarily related to increased storage for agency initiatives. Recommendations also include a reduction of \$1.4 million in salaries and various operating expenses for an agency-requested reallocation of 5.0 FTEs to Strategy D.1.1, Central Administration.
TEXASONLINE B.2.2	\$0	\$0	\$0	0.0%	
SHARED SVCS AND/OR TECHNOLOGY CTRS B.2.3	\$392,479	\$366,204	(\$26,275)	(6.7%)	The amounts identified out of the following Accounts are contingent on the passage of legislation to allow revenue collected from DIR's enterprise activities to be used to implement, monitor, and maintain shared IT services: \$91,551 out of the Clearing Fund (Rider 10); \$188,595 out of the Telecommunications Revolving (Rider 11); and \$86,058 out of the Statewide Technology (Rider 12).
<b>Total, Goal B, MANAGE COST-EFF SVC DEL OF IT</b>	<b>\$416,802,954</b>	<b>\$365,366,009</b>	<b>(\$51,436,945)</b>	<b>(12.3%)</b>	

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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
CAPITOL COMPLEX TELEPHONE C.1.1	\$11,098,603	\$8,971,942	(\$2,126,661)	(19.2%)	Recommendations include a decrease of \$2.1 million out of the Telecommunications Revolving Account, primarily for one-time expenditures related to customer requested projects for maintenance of the Capitol Complex Telephone System (CCTS) (\$0.5 million), new voicemail system (\$0.9 million), and equipments to expand the capacity of the CCTS (\$0.7 million).
NETWORK SERVICES C.2.1	\$184,561,307	\$165,399,007	(\$19,162,300)	(10.4%)	Recommendations include \$667,595 in unexpended and unobligated balances in fiscal year 2012 out of the Telecommunications Revolving Account. Recommendations include a decrease of \$19.2 million out of the Telecommunications Revolving Account, primarily for the following: Health and Human Services Commission (HHSC) Integrated Eligibility and Enrollment (IEE) software and call center expansion (\$14.6 million); request for proposal (RFP) development and support for the TEX-AN contracts (\$3.1 million); and staff augmentation services for business process analysis, fee setting, and RFP support (\$1.5 million).
NETWORK & TELECOM SECURITY SERVICES C.2.2	\$5,914,209	\$1,949,262	(\$3,964,947)	(67.0%)	Recommendations include \$1,949,262 out of the Telecommunications Revolving Account, appropriated by Rider 11. These amounts are contingent on the passage of legislation to authorize revenue collected from DIR's Telecommunications Services to be used to provide network and telecommunications security services.
					Recommendations include a decrease of \$3.9 million out of the Telecommunications Revolving Account primarily for the following: \$0.5 million decrease related to RFP development for the procurement of TEX-AN contracts; \$0.5 million decrease for one-time security related expenses, including identity access feasibility study, incident response contingency, and cyber state security exercises; and \$2.9 million decrease related to various one-time forensic and web security software.
<b>Total, Goal C, TELECOMMUNICATIONS</b>	<b>\$201,574,119</b>	<b>\$176,320,211</b>	<b>(\$25,253,908)</b>	<b>(12.5%)</b>	

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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION D.1.1	\$6,176,102	\$7,522,308	\$1,346,206	21.8%	Recommendations reflect an increase of \$1.3 million out of the Clearing Fund, Telecommunications Revolving, and the Statewide Technology Accounts primarily for salaries (\$1.4 million) related to an agency-requested reallocation of 5.0 FTEs (3 Financial Analysts, 1 Systems Analyst, and 1 Budget Analyst) from Strategy B.2.1, Data Center Services, offset by a decrease of \$0.1 million for the development of DIR business processes and software for cost accounting and fee setting.
INFORMATION RESOURCES D.1.2	\$12,613,411	\$8,535,576	(\$4,077,835)	(32.3%)	Recommendations reflect a decrease of \$4.1 million out of the DIR Clearing Fund Account, Telecommunications Revolving Account, and the Statewide Technology Account as follows: \$3.0 million decrease related to the Enterprise Resource Planning project; \$2.5 million decrease for four capital budget projects including, Asset Control (\$0.3 million); Website Upgrades (\$0.8 million); Infrastructure and Integration Support (\$0.9 million); and Standardization of Business Intelligence Platform (\$0.5 million).  These decreases in expenditures are offset by an increase of \$1.4 million due to an agency-requested reallocation of 3.0 FTEs (Systems Analysts) (\$0.3 million) and agency operating expenses primarily for smart phones (\$0.3 million) and seat management (\$0.8 million) from various strategies.
OTHER SUPPORT SERVICES D.1.3	\$1,498,711	\$1,897,324	\$398,613	26.6%	Recommendations reflect an increase of \$0.4 million out of the DIR Clearing Fund Account, Telecommunications Revolving Account, and the Statewide Technology Account primarily for an agency-requested reallocation of various operating expenses including subscriptions to research sites (\$0.2 million), postage (\$30,000), and building maintenance (\$0.2 million).
<b>Total, Goal D, INDIRECT ADMINISTRATION</b>	<b>\$20,288,224</b>	<b>\$17,955,208</b>	<b>(\$2,333,016)</b>	<b>(11.5%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$641,582,769</b>	<b>\$562,297,647</b>	<b>(\$79,285,122)</b>	<b>(12.4%)</b>	



## Section 3

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

#### 1. Fiscal Implications of Recommendations

- Recommendations would limit appropriations out of revenue generated on or after September 1, 2011 in the 2012-13 biennium not to exceed as follows:
  - \$4,978,724 in fiscal year 2012 and \$8,151,384 in fiscal year 2013 out of the Clearing Fund Account;
  - \$91,859,841 in fiscal year 2012 and \$91,092,659 in fiscal year 2013 out of the Telecommunications Revolving Account; and
  - \$186,171,559 in fiscal year 2012 and \$170,677,676 in fiscal year 2013 out of the Statewide Technology Account

It is possible that this limit could delay projects or services to DIR customers if DIR reaches its appropriation limit during the 2012-13 biennium. This recommendation is consistent with recommendations made by the Sunset Commission staff in its review of DIR. (See Item 3, Sunset Review.)

- **Unexpended Balances.** Recommendations would limit the amount of unexpended and unobligated balances appropriated in fiscal year 2012 to \$3,726,524 out of the DIR Clearing Fund and to \$667,595 out of the Telecommunications Revolving Account. As a result of this limit, there would be an estimated \$1.8 million out of the DIR Clearing Fund and \$2.6 million out of the Telecommunications Revolving Account that could be transferred to unappropriated General Revenue in the 2011 supplemental appropriations bill. This recommendation is consistent with recommendations made by the Sunset Commission staff in its review of DIR. (See Item #3, Sunset Review.)

Potential Federal Implications. It is possible that the federal government could require repayment of its portion of the balances transferred to the General Revenue Fund. However, DIR does not track the payments received by its customer agencies, therefore no estimate of the potential payback is available at this time. As a reminder, House Bill 7, Seventy-eighth Legislature, 2003 transferred \$3 million out of the DIR Clearing Fund to unappropriated General Revenue. In addition, to meet cash flow requirements of its telecommunication services operations, DIR may need to utilize its authority in Rider 5, Cash Flow Contingency to borrow funds from the treasury as a result of LBB recommendations.

- **Contingency Appropriations and Full-time Equivalent for Certain Programs.** Recommendations would require statutory changes to continue existing practice and allow certain revenues to be appropriated for certain activities, including developing the Statewide Information Resources Strategic Plan, establishing statewide technology standards, and planning statewide security for information technology assets, as summarized below.
  - \$664,054 out of the Clearing Fund;
  - \$1,367,953 out of the Telecommunications Revolving including; and
  - \$624,212 out of the Statewide Technology Accounts.

The recommendations would continue 9.0 existing FTEs each fiscal year of the 2012-13 biennium for the activities described above.

## Section 3

The recommendations would require statutory changes to continue existing practice and authorize certain revenues to be appropriated for implementing, monitoring, and maintaining shared information technology services, as summarized below.

- \$91,551 out of the Clearing Fund;
- \$188,595 out of the Telecommunications Revolving; and
- \$86,058 out of the Statewide Technology Accounts.

The recommendations would continue 2.3 existing FTEs each fiscal year of the 2012-13 biennium for the activities described above.

Additionally, the recommendations would require statutory changes to continue existing practice and authorize revenue collected from Telecommunications Services to be appropriated (\$1,949,262 out of the Telecommunications Revolving Account) for network security activities and would continue 6.0 existing FTEs each fiscal year of the 2012-13 biennium for these activities.

### 2. Statutory Changes Required to Implement the Recommendations

- Need authorization for certain revenues to be appropriated for developing various statewide information technology policies and for providing shared information technology services affecting the following statutes:
  - Purchase of Information Technology Commodity Items – Government Code § 2157.068;
  - Telecommunications Services – Government Code § 2170.057; and
  - Information Resources – Government Code § 2054.380.
- Need authorization for certain revenues to be appropriated for providing network security related to Telecommunications Services – Government Code § 2170.057 and Texas Computer Network Security System – Government Code §2059.

### 3. Sunset Review. In December 2010, the Sunset Advisory Commission (SAC) adopted the following:

- continue the agency for 6 years but establish a new board;
- recommend that the Legislature fund DIR with General Revenue;
- transfer surplus fund balances to the credit of unappropriated General Revenue;
- limit appropriations to non-to-exceed amounts;
- transfer the information technology procurement function from DIR to the Comptroller's Office and include additional historical underutilized business (HUB) reporting requirements;
- establish each of DIR's accounts in statute and limit use to program purposes;
- require DIR to report its administrative fees and the methodology used to set them to the LBB, and post all fee information on its website; and
- dedicate at least 3 full-time equivalents to its Internal Audit Department.

## Section 3

Additionally, in December 2010, at the Texas Water Development Board's SAC hearing, SAC adopted Sunset staff's recommended that TWDB request full exemption from the data center services contract for the Texas Natural Resources Information Systems (TNRIS) which would enable the TWDB to store all of the TNRIS data and still realize a savings of approximately \$2.7 million in General Revenue in the 2012-13 biennium. Current statute provides for DIR's executive director and the Governor to approve the transfer of services from the Data Center Services (DCS) contract (statewide technology center).

### 4. **Recommendations for Data Center Services**

Included in Article IX of the bill, is a provision that makes further reductions of \$42.4 million in All Funds (\$19.9 million in General Revenue and General Revenue – Dedicated Funds), to individual agency bill patterns to adjust funding to eliminate the cost of living adjustments related to the current data center services contract and to reflect the current administrative rate of 2.95 percent DIR charges DCS customers.

#### **Cost of Living Adjustment (COLA)**

As part of the current DCS contract, beginning in fiscal year 2009, agencies were assessed a cost of living adjustment (COLA) rate of approximately 4.30 percent and 4.74 percent in fiscal year 2010. The COLA adjusts certain rates such as labor for inflation. According to the agency, the elimination of the COLA would reduce the service rates to 2008 levels. Additionally, DIR estimates the COLA rate to be 7.74 percent in fiscal year 2011, 10.74 percent in fiscal year 2012, and 13.74 percent in fiscal year 2013. The recommendations reduce General Revenue and General Revenue – Dedicated Funds for DCS for affected agencies by approximately \$8.3 million in fiscal year 2012 and \$9.6 million in fiscal year 2013 reducing COLA funding.

#### Possible Implications of the elimination of the COLA

According to the agency's legal staff, the COLA is a contract requirement of DCS customers and the elimination of the funding for COLA would require DIR to eliminate certain services from the scope of the contract or terminate the current master services agreement in whole or part to reduce payment to the current vendor.

#### **Administrative Rate**

Also included in Article IX of the bill is a provision that makes reductions to agencies' bill patterns to reflect the current administrative rate of 2.95 percent. DIR included a 4.50 percent administrative rate in the estimates DIR provided to affected agencies for DCS estimates for the 2012-13 biennium. The recommendations reduce General Revenue and General Revenue – Dedicated Funds for DCS for affected agencies by approximately \$1.1 million in fiscal year 2012 and \$1.0 million in fiscal year 2013.

The recommendations related to Data Center Consolidation Services in the table below, reflect the DCS amounts appropriated to state agencies that receive Data Center Services from DIR to meet current obligations for DCS during the 2012-13 biennium. A \$52.0 million decrease in All Funds is primarily related to partial completion of a project at the Office of Attorney General (redesign of the child support system), moving participating agencies' data center operations to the consolidated data center (transformation) in the 2010-11 biennium, and overall reductions to certain agencies.

### Section 3

#### Data Center Consolidation Services

	General Revenue Funds	General Revenue – Dedicated Funds	Federal Funds	Other Funds	All Funds
<b>Est/Bud 2010-11</b>	\$163,715,711	\$28,758,875	\$143,892,911	\$68,765,327	\$405,132,824
<b>Rec 2012-13</b>	\$142,158,418	\$25,194,963	\$121,661,687	\$64,049,595	\$353,064,663
<b>Differences</b>	(\$21,557,293)	(\$3,563,912)	(\$22,231,224)	(\$4,715,732)	(\$52,068,161)

Note: Article IX Reductions for COLA and the administrative fee are not included in the table above.

#### Status of Data Center Contract

House Bill 1516, Seventy-ninth Legislature, 2005, authorized DIR to manage statewide data center and disaster recovery services for two or more state agencies and to utilize the State Data Center in San Angelo. DIR selected 27 state agencies based on fiscal year 2004 expenditures related to data center operations. In November 2005, DIR selected IBM as the lead vendor to provide consolidated data center services. However, in July 2010, DIR issued a notice to cure to IBM based on several ongoing and unresolved service issues. In November 2010, DIR released a request for offer (RFO) to replace the current DCS vendor. Additionally, in December 2010, DIR issued a notice of an assistance event which requests all information reasonably necessary for DIR (or its designee) to assume responsibility of all activities of the DCS contract. Responses to the RFO were due in January 2011 and DIR plans to evaluate, negotiate, and execute a new contract by August 31, 2011. As part of the new contract, DIR anticipates that the COLA funding would be needed in the 2012-13 biennium to provide for rates at the 2011 levels.

**Section 3**

**Department of Information Resources  
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	234.9	234.9	234.9	227.1	227.9
Actual/Budgeted	225.7	224.1	234.9	NA	NA
<b>Schedule of Exempt Positions (Cap)</b>					
Executive Director, Group 6	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000

Recommendations include a reduction of 7.8 FTEs in fiscal year 2012 from the agency's cap due to a reduction of 4.8 FTEs (Systems Analysts) related to the agency's exceptional item request to increase its administrative rate charged for data center services to participating agencies; and 3.0 FTEs (1 Director, 1 Program Specialist, and 1 Analyst) related to marketing activities. These reductions are offset by an increase of 0.8 FTEs (Systems Analyst) in fiscal year 2013 related to data center services.

State Auditor's Office Report 10-706, A Classification Study on Exempt Positions, recommends that the salary cap for the Executive Director be increased from \$175,000 per fiscal year to the market average of \$184,521, with no change to the current Group 6 classification.

### Section 3

#### Department of Information Resources Performance Measure Highlights

	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
• <i>Average Cost Per Rule, Guideline, and Standard Reviewed and Produced</i>	698.97	1,586.28	332.92	0.00	0.00
<i>Measure Explanation: Measure provides the average cost of reviewing and producing DIR rules, guidelines, and standards.</i>					

The recommended 2012 and 2013 levels shown above do not assume contingency in rider appropriations for passage of legislation to allow revenue generated by DIR enterprise activities (Information Technology Commodity Cooperative Contracts, Telecommunications Services, and Data Center Services) to be used for statewide policy and planning activities.

In fiscal year 2010, the agency has exceeded its target of \$332.92 for the *Average Cost Per Rule, Guideline, and Standard Reviewed and Produced* due to the number of changes in policy related to revising the domain name management policy, evaluating changes to digital requirements, federal related changes through public rulemaking and providing information to the information resource management community.

Section 4

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

Reports & Recommendations	GEER Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Is included in the Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

## Section 5

### Department of Information Resources Rider Highlights

2. (Old) **Capital Budget.** Revise rider to reflect recommended capital projects.
3. (Revise) **DIR Clearing Fund Account.** Revise rider to identify statutory references regarding the use of the funds, limit the amounts carried forward from fiscal year 2011 to fiscal year 2012, and limit appropriations out of revenue collected in the 2012-13 biennium.
7. (Revise) **Telecommunications Capital Budget Purchases.** Revise rider to clarify exemption from Capital Budget limitations and use of the Telecommunications Revolving Account for equipment acquisitions; reflect current practice of purchasing of software and maintenance for the Capitol Complex Telephone Systems or TEX-AN statewide telecommunications System; and remove reference to Telecommunications Planning and Oversight Council which was abolished by the Eighty-first Legislature.
8. (Revise) **Telecommunications Revolving Account.** Revise rider to identify statutory references regarding the use of funds; limit the amount of unexpended and unobligated balances carried forward from fiscal year 2011 to fiscal year 2012; limit appropriations out of revenue collected in the 2012-13 biennium; and allow a two month operating reserve.
9. (Revise) **Statewide Technology Account.** Revise rider to limit appropriations out of revenue collected in the 2012-13 biennium and continue unexpended balance authority, without limitation.
10. (Old) **TexasOnline Plan for Closed Loop Event Management Technology.** Delete rider due to implementation of closed loop technology.
10. (New) **Contingency Appropriation for DIR Clearing Fund Account: Information Technology Commodity Administration Fee.** Add new rider appropriating Interagency Contracts and Appropriated Receipts (\$0.4 million per year) and 2.9 FTEs per year contingent upon the passage of legislation to expand use of the administrative fee for statewide planning, rule and guideline development, and statewide security.
11. (New) **Contingency Appropriation for Telecommunications Revolving Account: Telecommunications Services Charge.** Add new rider appropriating Interagency Contracts and Appropriated Receipts (\$1.8 million in fiscal year 2012 and \$1.7 million in fiscal year 2013) and 11.8 FTEs per year contingent upon the passage of legislation to expand use of the telecommunications services charge for statewide planning, rule and guideline development, statewide security, and network security.
12. (New) **Contingency Appropriation for Statewide Technology Account: Statewide Technology Administrative Fee.** Add new rider appropriating Interagency Contracts and Appropriated Receipts (\$0.4 million per year) and 2.6 FTEs per year contingent upon the passage of legislation to expand use of the administrative fee for statewide planning, rule and guideline development, and statewide security.
14. (New) **Sunset Contingency.** Add rider due to sunset review.



## Section 5

- Art. (New) **Reductions Related to Data Center Services.** Add new provision to make further reductions to Data Center Services (DCS) in participating agencies' bill patterns to eliminate the cost of living adjustment provided to the current DCS vendor and to reflect the current administrative rate of 2.95 percent DIR
- IX, charges its DCS customers.
- Sec. 17.01

**Section 6**

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

	2012-13 Biennial Total	
	GR & GR-Dedicated	All Funds
1. Remove limitations on appropriation of revenues out of the Clearing Fund, Telecommunication Revolving, and Statewide Technology Accounts to provide for unanticipated information technology, telecommunications, and data center related services to its customers.	\$ -	\$ -
2. Appropriate estimated unexpended balances (\$4.3 million out of Interagency Contracts and Appropriated Receipts) out of the following accounts:	\$ -	\$ -
a) DIR Clearing Fund Account	\$ -	\$ 1,750,000
b) Telecommunications Revolving Account	\$ -	\$ 2,550,000
3. Restore cost of living adjustment reduced in Article IX, Sec. 17.01 of the bill in affected agencies' bill patterns.	\$ 17,855,293	\$ 37,804,290
<b>Total, Items Not Included in the Recommendations</b>	<b>\$ 17,855,293</b>	<b>\$ 42,104,290</b>