



April 2, 2021

The Honorable Ed Chau
Chair
Assembly Committee on Privacy
and Consumer Protection
The California State Capitol
10th and L Streets
Sacramento, CA 95814

The Honorable Kevin Kiley
Vice Chair
Assembly Committee on Privacy
and Consumer Protection
The California State Capitol
10th and L Streets
Sacramento, CA 95814

RE: Internet Association Supports IT Modernization Efforts In California Through AB 1323

Dear Chair Chau and Vice Chair Kiley:

Internet Association (IA) represents the world's leading internet companies and supports policies that promote and enable internet innovation, including commercial cloud solutions. Our member companies are global leaders in the drive to develop lower cost, more secure, and innovative digital government services, with a focus on empowering both the civil servants delivering those services and the residents receiving them.

On behalf of our members, I am writing to thank you for your consideration of [Assembly Bill 1323](#) (AB 1323), which will provide key decision makers with the data they need to create and follow through with a successful information technology (IT) modernization plan, providing a modern and resident-focused digital government for all Californians, and we encourage you to pass it along with a few suggested amendments to the proposed language.

Building on the hard work of all the teams in the state focused on IT modernization, AB 1323 will give each of them - as well as those who are a little further behind - the kind of support and information they need to pursue a successful statewide IT modernization effort. By requiring IT modernization plans include the information outlined throughout 11546.45(a)(2), including the additions added from (D) to (H), the Department of Technology, the Legislature, and the state workforce itself will have the opportunity to provide a truly objective assessment of the current state of the IT landscape. With a few other changes, this bill will ensure the IT modernization plans presented are successfully implemented.

First, requiring annual updates to the plans as outlined in the suggestions provided in 11546.45(b)(4) of the accompanying redlines will give stakeholders the information necessary to see what is working, what needs additional help, and what should be done to maintain momentum going forward. Even further to that point, by ensuring the successor to Vision 2023 includes IT modernization efforts going forward, the state will ensure legacy IT never takes root in the state again, and if it does, that it can be quickly managed and dealt with.

Second, ensuring that the market research to determine the costs also accounts for the *savings* - both direct and downstream - that will result from such a modernization effort will provide a more complete picture to all stakeholders involved in this discussion about when and how quickly a return on investment will be felt. With those organizations that were already remote-friendly after having adopted cloud-based IT infrastructures being able to better weather the pandemic than those who were not, a



cloud-based modernization plan will provide benefits that will reach far beyond the budget. As services are able to be delivered in more effective and efficient ways, reaching residents where they are and on the devices they prefer, residents will see more for their tax dollars and the state's workforce will see more results from their hard work.

This is a rare opportunity to provide those who are leading the state of California's IT modernization efforts the information and long-term support necessary to make the state a role model throughout the nation when it comes to a statewide IT modernization effort. With your support and inclusion of these suggested changes in the final version of the AB 1323, everyone in the Golden State will soon be able to take advantage of all the services the state has to offer, in a seamless and consistent fashion, whether they are on the road or in the comfort of their own home.

We appreciate your time in considering our feedback and look forward to the opportunity to discuss the benefits of the bill and the proposed changes with you in further detail.

Most sincerely,

A handwritten signature in black ink, appearing to read 'Dylan Hoffman'.

Dylan Hoffman
Director, Government Affairs, California

A handwritten signature in black ink, appearing to read 'Omid Ghaffari-Tabrizi'.

Omid Ghaffari-Tabrizi,
Director, Cloud Policy

Cc: The Honorable Rebecca Bauer-Kahan
The Honorable Steve Bennett
The Honorable Wendy Carrillo
The Honorable Jordan Cunningham
The Honorable Jesse Gabriel
The Honorable James Gallagher
The Honorable Jacqui Irwin
The Honorable Alex Lee
The Honorable Buffy Wicks

Enc: Suggested Redlines

AMENDED IN ASSEMBLY MARCH 26, 2021

AMENDED IN ASSEMBLY MARCH 22, 2021

CALIFORNIA LEGISLATURE—2021-22 REGULAR SESSION

ASSEMBLY BILL

No. 1323

Introduced by Assembly ~~Member Chiu~~ Members Chiu and Bennett

February 19, 2021

An act to add Section 11546.45 to the Government Code, relating to information technology.

LEGISLATIVE COUNSEL’S DIGEST

AB 1323, as amended, Chiu. Department of Technology: *modernization*: state information technology contracts.

Existing law establishes, within the Government Operations Agency, the Department of Technology under the supervision of the Director of Technology, who also serves as the State Chief Information Officer. *Under existing law, the Department of Technology is responsible for the approval and oversight of information technology projects, as specified. Existing law requires the chief information officer of each state agency to develop the enterprise architecture for their agency to rationalize, standardize, and consolidate information technology applications, assets, infrastructure, data, and procedures for the agency. Existing law subjects each chief information officer’s enterprise architecture to the review and approval of the Department of Technology.* Existing law requires that a state agency service contract, which would otherwise not be reviewed by the Department of Technology, be subject to review, approval, and oversight by the department if the contract contains an information technology component that would be subject to oversight by the department if it ~~was~~ *were* a separate information technology project.

This bill *would require the Department of Technology to identify, assess, and prioritize legacy information technology system modernization efforts across state government. The bill would require* state agencies and state entities, as defined, to submit their information technology service contracts to the Department of Technology before May 1, 2022. The bill would require the department to use this information for specified purposes, including analyzing state

information technology investment in order to identify types of uses that are candidates for statewide contracts for commonly used or shared ~~services, and would make related legislative findings and declarations.~~ *services. The bill would also require the Department of Technology and other state agencies and state entities to work with legislative staff and the Legislative Analyst's Office to evaluate potential options to modernize state government information technology project approval and oversight processes. In this regard, the bill would require the Department of Technology to submit various reports to the Legislature, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

- (a) It is imperative for the state to create a seamless experience for Californians accessing its public services that, at a minimum, begins to mirror the convenience and simplicity of the experience in the private sector and the improvements made there in the last decade.
- (b) The state must accelerate the move toward common platforms and shared services, embrace user-centered design, and leverage technology in order to transform government processes and operations.
- (c) A centralized information technology experience will address decades of policy inadequacies by establishing more useful modern standards and will enable the state to use spend analytics to drive better statewide technology investment decisionmaking in line with those updated standards.
- (d) The effect of the COVID-19 pandemic on the state budget further illustrates the need for efficiency in order to ensure that the state may effectively leverage its purchasing power and get the best value for the money that it invests in technology.

SEC. 2. Section 11546.45 is added to the Government Code, immediately following Section 11546.4, to read:

11546.45. (a) ~~Notwithstanding any~~ *(1) The Department of Technology shall identify, assess, and prioritize legacy information technology system modernization efforts across state government.*

(2) The Department of Technology shall submit an annual report to the Legislature that includes

all of the following:

(A) An explanation of how the Department of Technology is prioritizing legacy information technology system modernization efforts across state government.

(B) An estimate of annual and total preliminary costs for each effort and for the entire state modernization portfolio.

(C) The impediments and risks that could, or issues that already have, led to changes in how the Department of Technology identifies, assesses, and prioritizes modernization efforts.

(D) An explanation of the Department of Technology's project management processes in general, an explanation of the project management processes used for the post-award management of modernization efforts currently underway, an analysis of the strengths and weaknesses of the project management processes, and a description of plans for increasing the effectiveness of the project management processes in the delivery of successful modernization efforts going forward.

(E) A description of a plan to develop a "fast start" or streamlined project management process focused on allowing for agile deployment and development.

(F) An evaluation of the fully integrated commercial applications service options available to and from the Department of Technology to meet modernization needs.

(G) A description or inventory of existing plans for cloud integration and modernization that are known to the Department of Technology, including those that have resulted from modernization efforts that are currently underway as well as from those that are in the process of being planned.

(H) An analysis of the technical and data architecture necessary for the Department of Technology to provide the modern tools necessary for enhanced statewide data analytics, reporting, and performance management.

(b) (1) Notwithstanding any other law, all state agencies and state entities ~~as in defined subdivision (c) of Section 11546.1~~ shall submit all of their current information technology service contracts to the Department of Technology before May 1, 2022.

~~(b)~~

(2) The Department of Technology shall analyze the contracts submitted and use the information obtained from that analysis for all of the following purposes:

(+)

(A) To assess state information technology investment in order to identify types of uses that are candidates for statewide contracts for commonly used or shared services.

(2)

(B) To create a replicable analytic approach to better understand user demand.

(+)

(C) To inform management approaches regarding demand and supply.

(3) After completing the analysis, the Department of Technology shall submit a report to the Legislature that does all of the following:

(A) Identifies each service that the Department of Technology believes would be appropriately centralized.

(B) Summarizes market research the department would conduct to estimate the one-time and ongoing costs to the state of each service, including but not limited to, the cost savings from eliminating infrastructure hardware, unused software licenses, unnecessary contractor support for maintaining legacy IT infrastructure, as well as how those savings would equate to increased or more effective delivery of government services as a result.

(C) Calculates potential offsetting savings to the state from reduced overlap and redundancy of services.

(4) After submitting the report, the Department of Technology shall develop an implementation plan, including any associated budget requests. The plan may include, but is not limited to, a list of existing service contracts of state agencies and state entities to be replaced with centralized service contracts managed by the Department of Technology and a proposed strategy and timeline for the transition from existing service contracts to centralized service contracts. Additionally, annual updates outlining the progress being made and any challenges being faced or requests for help being made by the teams responsible for implementing the plan must be provided to the legislature until an update to Vision 2023 is released. Any updates to Vision 2023 must account for the work necessary to successfully achieve the objectives of the modernization plans still outstanding in order to ensure continuous modernization takes place going forward.

(c) (1) The Department of Technology, the Department of Finance, the Government Operations Agency, and other relevant state agencies and state entities shall work with legislative staff and the Legislative Analyst's Office to evaluate potential options to modernize state government information technology project approval and oversight processes.

(2) The Department of Technology shall submit a report to the Legislature that summarizes the options evaluated, explains the options selected, and provides recommendations for further action.

(d) A report to be submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

(e) For purposes of this section, the terms "state agency" and "state entity" shall have the same meanings as in subdivision (e) of Section 11546.1.