

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

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Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$3,200,000	\$10,413,150	\$7,213,150	225.4%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$3,200,000</i>	<i>\$10,413,150</i>	<i>\$7,213,150</i>	<i>225.4%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$722,862,360	\$843,118,303	\$120,255,943	16.6%
All Funds	\$726,062,360	\$853,531,453	\$127,469,093	17.6%

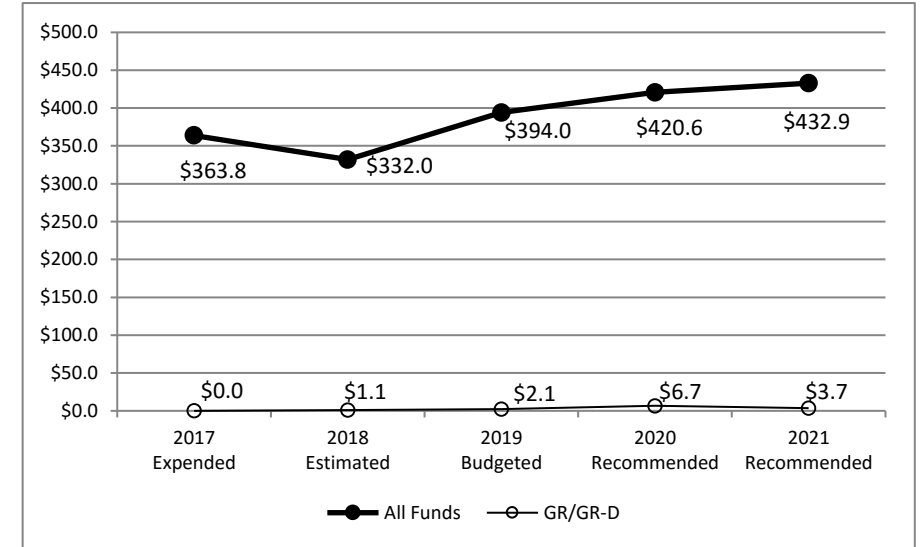
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	206.0	208.0	2.0	1.0%

Agency Budget and Policy Issues and/or Highlights

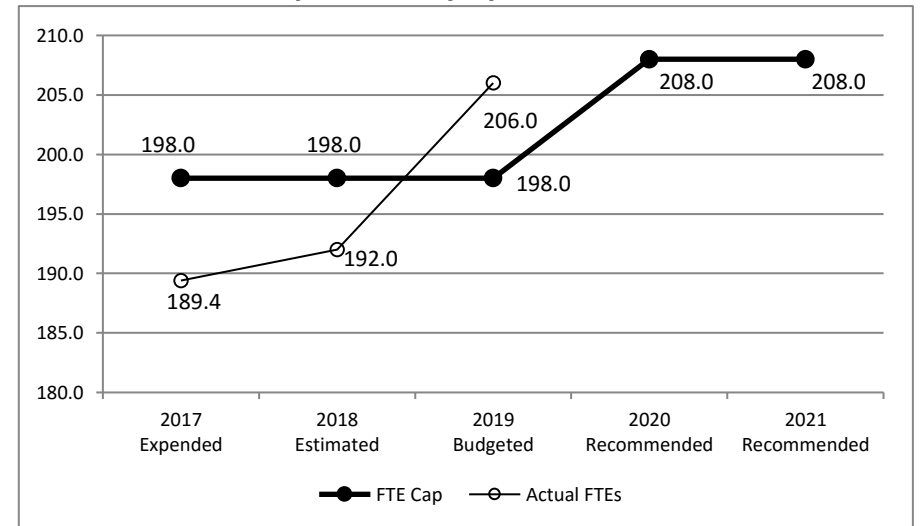
DIR is funded primarily through fees remitted by customer agencies through the Telecommunications, Data Center Services (DCS) and Cooperative Contracts programs, and fees paid by customers through the Texas.gov portal. The fees recover DIR's operational costs to oversee the four related programs and costs for statewide policy functions, information technology security initiatives, and DIR's indirect administrative costs.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



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

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>

A)	Increase in data center services (DCS) utilization by state agencies and local customers.	\$0.0	\$0.0	\$0.0	\$71.5	\$71.5	2.2.1
B)	Increase for full biennium of Texas.gov portal operations by contacted vendors.	\$0.0	\$0.0	\$0.0	\$37.7	\$37.7	2.3.1
C)	Increase in estimated telecommunications services utilization by customer agencies and local entities.	\$0.0	\$0.0	\$0.0	\$7.0	\$7.0	2.4.1 and 2.5.1
D)	Increase in the agency's operating expenses, primarily related to staffing and cybersecurity services, including funding for multi-factor authentication for the state's high risk systems.	\$7.2	\$0.0	\$0.0	\$4.0	\$11.2	All

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$7.2	\$0.0	\$0.0	\$120.3	\$127.5	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$7.2	\$0.0	\$0.0	\$120.3	\$127.5	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Recommended Funding Increases.** Recommendations for the Department of Information Resources (DIR) provide an overall funding increase of \$120.3 million from the agency’s four operating accounts (all Other Funds). Recommendations additionally reflect increased funding of \$7.2 million in General Revenue to provide multi-factor authentication to the state’s high risk systems.

Costs to Provide Direct Services. Recommended funding levels include \$776.1 million for payments to vendors to provide telecommunications services, data center services, and operation of the Texas.gov portal. This amount reflects an increase of \$116.2 million from 2018-19 funding levels as follows:

Program (Operating Account)	2020-21 Recommendations	Funding Increase from 2018-19	Description
Telecommunications (Telecommunications Revolving Account)	\$11 million for Capitol Complex Telephone System (CCTS)	\$0.9 million for CCTS	CCTS: Increase is primarily due to maintenance of the current private branch exchange (PBX) system as agencies transition to voice over internet protocol (VoIP). Costs are anticipated to decrease in fiscal year 2021 as all affected agencies will have transitioned to VoIP.
	\$142.3 million for Texas Agency Network (TEX-AN)	\$6.2 million for TEX-AN	TEX-AN: estimated increase in consumption of TEX-AN services by customer agencies.
Data Center Services (Statewide Technology Account)	\$551.5 million	\$71.5 million	Estimated increase in usage of data center services by customer agencies. Participating agency capital budgets reflect funding for current obligations for the 2020-21 biennium.
Texas.gov (Statewide Network Applications Account)	\$71.3 million	\$37.7 million	Estimated payments to Deloitte to provide application development, application maintenance, and customer support for the Texas.gov portal for a full biennium. Only one year of costs is included in 2018-19 funding.

Agency Operations. Additionally, recommendations provide \$77.4 million for the agency’s operating expenses related to managing cost-recovery programs, providing cybersecurity services, statewide rule and policy functions, other statewide initiatives, and indirect administration. Recommended funding levels reflect total increases for \$11.2 million related to:

- Full staffing levels (\$1.5 million), including the addition of 9.0 FTE positions above the 2018-19 FTE cap of 198.0. The additional FTEs are primarily associated with implementation of legislation from recent legislative sessions and to provide additional support related to major shared services contracts, such as those related to Texas.gov and DCS.
- Cybersecurity services (\$10.8 million), largely related to a General Revenue funding increase of \$7.2 million for a new initiative to provide multi-factor authentication to state agencies’ high-risk systems, including an additional 1.0 FTE for a security analyst position. The remaining increases of \$3.6 million are primarily related to delays in testing services and assessments due to procurement and implementation of new service provider contracts.
- Decreases for assistance with procurement of major shared services contracts (\$1.3 million).
- Other increases (\$0.3 million) include other operating costs and the agency’s capital budget purchases.

2. **Data Center Services.** Recommendations align funding for the data center services (DCS) program with recommendations for DCS funding at 37 customer agencies. Recommended funding levels for the affected agencies total \$568.3 million and generally reflect funding to maintain current obligations as estimated by DIR.

Current obligations include maintenance of current service levels and include service changes and projects initiated during the 2018-19 biennium. Total funding for DCS across the affected 37 agencies are shown in **Figure 1** below, with amounts shown for the agencies with the largest biennial increases in funding, when comparing 2020-21 funding recommendations with 2018-19 forecasted amounts from DIR.

Figure 1: Data Center Services Biennial Increase

Agency	Actual Billed 2018 and Forecast 2019	Introduced Bill 2020-21	Increase from 2018-19 Forecast	Service Additions
Health and Human Services Commission	\$107,106,643	\$126,648,518	\$19,541,875	Addition of 35,700 Microsoft 365 (M365) accounts and 5,500 Microsoft Office (MO365) accounts previously procured outside of DCS. Addition of applications and servers to the data centers.
Department of Criminal Justice	\$31,990,467	\$42,006,632	\$10,016,165	Managed application services for Legal Case Management project, M365 licenses with Advanced Threat Protection, and server services for disaster recovery for the Electronic Database Management System and Office of Inspector General Consolidation.
Department of Transportation	\$55,224,309	\$60,817,096	\$5,592,787	Addition of managed security services, upgrade from MO365 to M365, and software and server services for TXDOT's security program and the MS Project & Visio infrastructure.
Workforce Commission	\$45,244,334	\$50,340,125	\$5,095,791	Bulk print/mail increases and third-party software increases. Projections also reflect mainframe rate increases as a result of price fluctuations due to overall projected reductions in statewide volume.
Department of Family and Protective Services	\$13,190,197	\$18,040,823	\$4,850,626	Addition of 14,075 M365 accounts, previously procured outside of DCS. Server services related to Information Management Protecting Adults and Children in Texas (IMPACT) Modernization project, SharePoint MS-SQL Project, Texas Home Visiting WordPress Project, and Learning Management System MySQL project.
Department of State Health Services	\$25,334,236	\$27,430,440	\$2,096,204	Addition of 3,500 M365 accounts previously procured outside of DCS. Server services related to the Texas Public Health Information Network online portal and the Get Fit Texas! Challenge website.
Railroad Commission	\$10,348,182	\$11,940,908	\$1,592,726	Continuation of multi-year managed application services projects to upgrade oil and gas service related applications and ESRI/GIS services and refresh of database services.
Remaining Agencies	\$237,766,044	\$231,071,519	(\$6,694,525)	
Total for All Agencies	\$526,204,412	\$568,296,061*	\$42,091,649**	*Total includes administrative fees paid by agencies which fund DIR's operating costs. **The \$71.5 million funding increase from DIR's 2018-19 base, shown on page 3, is larger than the increase shown here. DIR's 2018-19 base is lower than the forecasted 2018-19 spending; DIR is required to request approval from the Legislative Budget Board to expend amounts that exceed appropriations out of the Statewide Technology Account. As of January 15, 2019, DIR has not submitted a request.

The increases are largely attributable to Article II agencies shifting procurement of Microsoft licensing costs from outside of the DCS program to the DCS program. Increases also reflect ongoing costs related to agencies' IT projects. Additionally, DIR has added managed application and managed security services to services provided through the DCS program. In some instances, rates are projected to increase due to volume fluctuations and software licensing costs.

Costs for infrastructure services, such as server, mainframe and software, will undergo a service provider transition during the 2020-21 biennium. The current infrastructure services contract with Atos will end on August 31, 2020. DIR estimates awarding contracts to new service providers in late fiscal year 2019 through fiscal year 2020. Cost projections assume no change in current pricings.

3. **Informational: Fund Balance Authority.** Recommendations shift language in Article IX, Section 9.07, Payments to the Department of Information Resources, to new Rider 12, Fund Balance Limitations, in DIR's bill pattern, and clarify language related to fund balances for the Statewide Network Applications Account to exclude payment processing fees (estimated to be \$24.8 million in fiscal year 2021). The agency already excludes payment processing fees in their calculation; therefore, the revised language does not effectively result in change to the fund balance calculation.

Figure 2: Comparison of Fiscal Year 2021 Projected Maximum Fund Balances

Method of Finance	Projected Revenue FY 2021	Current Balance Authority		Recommended Balance Authority		Difference
		Calculation	Amount	Calculation	Amount	
Clearing Fund (Cooperative Contracts Administrative Fees)	\$15,160,874	Ten percent of current fiscal year revenue.	\$1,516,087	No change.	\$1,516,087	\$0
Telecommunications Revolving Account (CCTS and TEX-AN Revenues)	\$89,649,327	Four percent of current fiscal year revenue.	\$3,585,973	No change.	\$3,585,973	\$0
Statewide Technology Account (DCS Revenues)	\$292,165,520	One percent of current fiscal year revenue.	\$2,921,655	No change.	\$2,921,655	\$0
Statewide Network Applications Account (Texas.gov Revenues)	\$98,410,282	Four percent of current fiscal year revenue.	\$3,936,411	Four percent of current fiscal year operating revenue (gross revenue excluding payment processing fees).	\$2,943,008	(\$993,403)
TOTAL	\$495,386,003		\$11,960,127		\$10,966,724	(\$993,403)

4. **Informational: Department of Information Resources Administrative Fees.** Figure 3 provides the estimated administrative fee rates for the 2020-21 biennium. Except as noted for the Cooperative Contract administrative fees, the estimated fee rates are identical to current rates for fiscal year 2019.

Figure 3

Program	Administrative Fee Rates	Account
Cooperative Contracts	<p>Actual fees vary by contract and are included in the purchase price of information technology commodities and services.</p> <ul style="list-style-type: none"> • Average fee: 0.67 percent • Maximum fee: 1.0 percent <p>Fee rates are capped at 2.0 percent Rider 3, DIR Clearing Fund Account.</p> <p>DIR indicates that fees may be increased depending on the volume of sales through the Cooperative Contracts.</p>	Clearing Fund (Appropriated Receipts)
Telecommunications Capitol Complex Telephone System (CCTS) and Texas Agency Network (TEX-AN)	<p>For services that Department of Information Resources (DIR) directly provides, such as CCTS and shared Internet services, fees are included in the prices. Fee levels for other telecommunication services include:</p> <ul style="list-style-type: none"> • 12.0 percent for TEX-AN vendor-provided services billed by DIR; • 4.0 percent for Go DIRect local services contracts that are directly billed by the vendor; • 2.0 percent for wireless services and conferencing services that are directly billed by the vendor; and • 0.5 percent for managed services that are directly billed by the vendor. <p>Fee rates are not capped.</p>	Telecommunications Revolving Account (Appropriated Receipts and Interagency Contracts)
Data Center Services	<p>Fee is set at 2.95 percent of data center services costs billed by contracted service providers.</p> <p>Fee is uncapped. 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.</p>	Statewide Technology Account (Appropriated Receipts and Interagency Contracts)
Texas.gov	<p>Actual fees vary by service and governmental entity. Fees per transaction generally include one of the following fees:</p> <ul style="list-style-type: none"> • Transaction fees, which typically include both fixed fee and variable fee components: <ul style="list-style-type: none"> ○ 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. <p>Fees and charges are not capped.</p>	Statewide Network Applications Account (Appropriated Receipts and Interagency Contracts)

Department of Information Resources Contracting Highlights

As of 8/31/2018, the Department of Information Resources had 24 active procurement contracts valued at \$1.16 billion and 17 revenue generating contracts valued at \$66.3 million.

Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database¹

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	79	\$ 25.6	\$ 0.3	100%

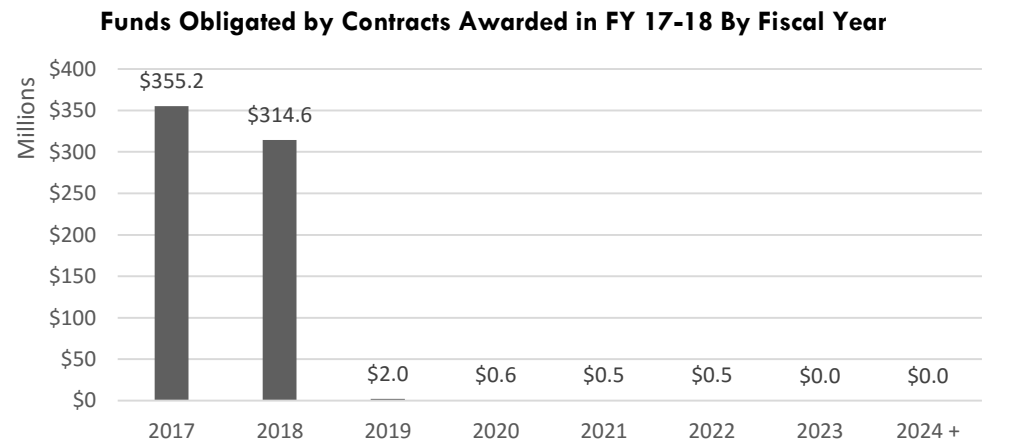
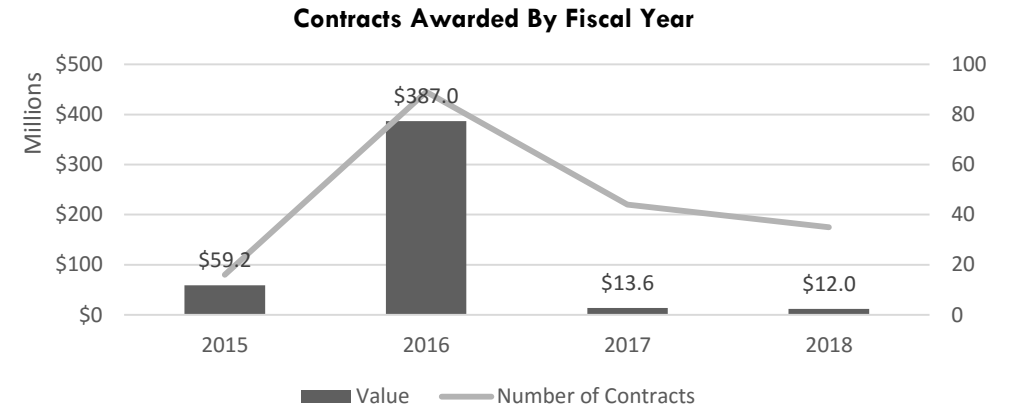
Award Method

Total Competitive Contracts	79	\$ 25.6	\$ 0.3	100.0%
Total Non-Competitive	0	\$ -	\$ -	0.0%

Procurement Category

Information Technology	43	\$ 14.7	\$ 0.3	57.4%
Other Services	31	\$ 8.0	\$ 0.3	31.3%
Goods	2	\$ 0.6	\$ 0.3	2.2%
Consulting	2	\$ 1.8	\$ 0.9	6.9%
Construction	1	\$ 0.6	\$ 0.6	2.1%

Revenue Generating Contracts	61	\$ 647.8	\$ 10.6	100%
Competitive	61	\$ 647.8	\$ 10.6	100.0%
Non-Competitive	0	\$ -	\$ -	0.0%



¹These figures reflect the total value of reported contracts awarded in FY 17-18 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

Department of Information Resources
Contracting Highlights

(Dollar values rounded to the nearest tenth of a million)

Largest Active Contracts from Previous Fiscal Years	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 Telecommunications Services	Competitive	\$ 944.9	66%	07/01/11	8 years	1	AT&T
2 Telecommunications Services	Competitive	\$ 19.7	90%	06/02/11	8 years	1	CenturyLink
3 Information security & Risk Assessments	Competitive	\$ 2.8	0%	03/22/16	4 years	0	NTT Data Inc
4 Event Planner Services	Competitive	\$ 0.1	0%	01/12/16	3 years	0	Xcelevents
5 VOIP Lease	Competitive	\$ 0.1	0%	05/15/14	5 years	0	Insight Public Sector

Largest Competitive Revenue Generating Contracts Awarded in FY 17 - FY18

1 DCS Services, Mainframe and Network Services	Competitive	\$ 219.8	10%	09/01/16	1 year	0	ATOS Governmental IT Outsourcing
2 DCS Services, Mainframe and Network Services	Competitive	\$ 194.2	0%	09/01/17	1 year	0	ATOS Governmental IT Outsourcing
3 TEXAN/OAG Circuits	Competitive	\$ 51.2	2%	09/01/16	1 year	0	AT&T
4 TEXAN/OAG Circuits	Competitive	\$ 40.0	0%	09/01/17	1 year	0	AT&T
5 DCS Services Integration	Competitive	\$ 25.0	0%	09/01/16	1 year	0	Capgemini America Inc

Largest Competitive Procurement Contracts Awarded in FY 17 - FY18

1 Service Agreement to Maintain Security SETA/CPT	Competitive	\$ 2.7	0%	09/01/16	1 year	0	AT&T CORP
2 InfoSec Academy for Education & Training Services	Competitive	\$ 2.3	0%	04/16/18	4 years	0	Learning Tree International
3 MSI & Texas.Gov Procurement Assistance	Competitive	\$ 1.6	0%	09/01/17	1 year	0	Symbio-Hush IME, LLC
4 Managed Application Service - Service Component Provider	Competitive	\$ 1.0	0%	09/01/17	2 years	0	Enterprise Services LLC
5 Tipping Point	Competitive	\$ 0.9	0%	08/07/18	1 year	0	Summus Industries

*Note: The Department of Information Resources issues purchase orders for its large contracts on an annual basis, and reports these individual purchase orders as standalone contracts to the LBB. As such, these contracts may represent purchase orders issued under larger contracts that were awarded in previous fiscal years.

*Note: The percent change is the difference in contract value between initial the award amount and the current contract value. This calculation includes contract amendments and renewals. (DCS Services, contract is valued at \$1.3 billion over eight years (2012-2020) while the AT&T contract is valued at \$944.0 million over seven years (2011-2018)).

**Department of Information Resources
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Revise rider to reflect funding recommendations for Daily Operations (\$152,000 in each fiscal year) and data center services (approximately \$1.4 million in each fiscal year); add line item for personal computer purchases (\$420,000); and delete the line item for Information Technology Staffing Portal.
3. **DIR Clearing Fund Account.** Revise rider to align with recommended strategy allocations and funding level out of the Clearing Fund.
6. **Texas.gov Project and the Statewide Network Applications Account.** Revise rider to align with recommended strategy allocations and funding level out of the Statewide Network Applications Account. Also add authority to carry forward unexpended balances across biennia and within the biennium, consistent with authority provided for the agency's other funding sources.
8. **Telecommunications Revolving Account.** Revise rider to align with recommended strategy allocations and funding level out of the Telecommunications Revolving Account.
9. **Statewide Technology Account.** Revise rider to align with recommended strategy allocations and funding level out of the Statewide Technology Account.

New Riders

12. **Fund Balance Limitations.** Transfer Section 9.07, Payments to the Department of Information Resources, from Article IX to the agency's bill pattern and revise calculation of maximum fund balances for the Statewide Network Applications Account to align with current practice of excluding from calculation the costs for payment processing services.
13. **Security Services to State Agencies and Institutions of Higher Education.** Add rider identifying use of General Revenue funds (\$10.4 million) for the purpose of providing security testing, security assessments, and multi-factor authentication to state agencies and institutions of higher education. Also provide authority for the agency to carry forward unexpended balances within the biennium.

Deleted Riders

12. **Statewide Contracts for Electronic Signature and Certified Electronic Mail Systems.** Delete rider directing DIR to determine the need for and negotiate a master contract for electronic signature and certified electronic mail systems. The contracts have been added to Cooperative Contracts.

**Department of Information Resources
Items Not Included in Recommendations - Senate**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items - In Agency Priority Order							
1)	Provide Microsoft Office 365 Advanced Threat Protection (ATP) to all Office 365 email accounts purchased through the data center services program.	\$3,600,000	\$3,600,000	0.0	Yes	Yes	\$3,600,000
2)	Provide training on specialized secure coding methods for each state agency developer every two years.	\$1,200,000	\$1,200,000	0.0	Yes	Yes	\$1,000,000
3)	Provide a security rating service to benchmark agencies public-facing servers.	\$300,000	\$300,000	0.0	Yes	Yes	\$300,000
TOTAL Items Not Included in Recommendations		\$5,100,000	\$5,100,000	0.0			\$4,900,000

**Department of Information Resources
Appendices - Senate**

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* Appendix is not included - no significant information to report

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
STATEWIDE PLANNING AND RULES A.1.1	\$2,226,373	\$2,358,829	\$132,456	5.9%	Recommendations primarily reflect an increase for full staffing.
INNOVATION AND MODERNIZATION A.1.2	\$1,435,468	\$2,015,657	\$580,189	40.4%	Recommendations reflect an increase of \$0.2 million for full staffing and \$0.4 million for assistance with procurement of Texas Agency Network (TEX-AN) contracts.
Total, Goal A, PROMOTE EFFIC. IR POLICIES/SYSTEMS	\$3,661,841	\$4,374,486	\$712,645	19.5%	
CONTRACT ADMIN OF IT COMM & SVCS B.1.1	\$7,571,515	\$6,478,254	(\$1,093,261)	(14.4%)	Recommendations reflect decreases of \$0.1 million for staffing, \$0.1 million for purchase of routers and network services, \$0.2 million for the agency's internal data center costs reallocated to other strategies, and \$0.6 million for assistance with procurement of major enterprise contracts.
DATA CENTER SERVICES B.2.1	\$490,426,901	\$561,061,779	\$70,634,878	14.4%	Recommendations primarily provide for an increase of \$71.5 million in data center services (DCS) based on estimated growth in service utilization from customer agencies. These increases are offset by a decreases in the agency's operating costs by \$1.0 million for assistance with procurement of DCS enterprise contracts and \$0.1 million for purchases of routers and network services, offset by an increase of \$0.2 million for full staffing.
TEXAS.GOV B.3.1	\$37,382,841	\$73,979,573	\$36,596,732	97.9%	Recommendations primarily reflect a full biennium of appropriations for operation of Texas.gov. Recommendations include an increase of \$37.7 million for the state portal's operation and improvements. Funding includes an additional increase of \$0.7 million for full staffing offset by decreases of \$1.6 million for assistance with procurement activities and \$0.2 million for other operating expenses.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
CAPITOL COMPLEX TELEPHONE B.4.1	\$13,020,991	\$13,800,813	\$779,822	6.0%	Recommendations reflect an increase of \$0.9 million for costs to provide the Capitol Complex Telephone System, including costs to maintain the current private branch exchange (PBX) system as agencies transition to voice over internet protocol (VoIP). This increase is offset by a decrease of \$0.1 million for other operating expenses.
NETWORK SERVICES B.5.1	\$145,295,063	\$153,081,356	\$7,786,293	5.4%	Recommendations primarily reflect an increase of \$6.2 million for growth in usage of TEX-AN services by customer agencies and local entities. Additionally, funding includes increases of \$1.5 million for assistance with procurement of Texas Agency Network (TEX-AN) contracts and \$0.3 million for full staffing offset by a decrease of \$0.2 million in other operating expenses.
Total, Goal B, IT AND TELECOMMUNICATION SERVICES	\$693,697,311	\$808,401,775	\$114,704,464	16.5%	
SECURITY POLICY AND AWARENESS C.1.1	\$1,586,074	\$1,955,990	\$369,916	23.3%	Recommendations primarily reflect increases of \$0.3 million for cybersecurity training for state agencies and \$0.1 million for full staffing.
SECURITY SERVICES C.1.2	\$15,718,429	\$26,526,838	\$10,808,409	68.8%	Funding includes an increase of \$7.2 million in General Revenue to provide multi-factor authentication for the state's high risk systems. Additionally, recommendations include increases in Other Funds of \$2.9 million for security vulnerability testing and assessments for state agencies and institutions of higher education, \$0.2 million for security training, \$0.2 million for the network security operations center, \$0.1 million for full staffing, and \$0.3 million for other operating expenses.
Total, Goal C, PROMOTE EFFICIENT SECURITY	\$17,304,503	\$28,482,828	\$11,178,325	64.6%	
CENTRAL ADMINISTRATION D.1.1	\$5,380,013	\$5,654,806	\$274,793	5.1%	Recommendations primarily reflect decreases of \$0.1 million for staffing and \$0.1 million for the purchase of routers and network services, offset by an increase of \$0.4 million in other operating expenses, including a new reporting automation tool.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
INFORMATION RESOURCES D.1.2	\$4,812,354	\$5,744,974	\$932,620	19.4%	Recommendations include increases in the agency's internal technology costs, including the agency's internal DCS costs (\$0.1 million), daily operations (\$0.1 million), purchase of personal computers (\$0.4 million), and other expenses (\$0.4 million).
OTHER SUPPORT SERVICES D.1.3	\$1,206,338	\$872,584	(\$333,754)	(27.7%)	Recommended decreases include \$0.2 million in staffing costs and \$0.1 million in other operating expenses reallocated to other indirect administration strategies.
Total, Goal D, INDIRECT ADMINISTRATION	\$11,398,705	\$12,272,364	\$873,659	7.7%	
Grand Total, All Strategies	\$726,062,360	\$853,531,453	\$127,469,093	17.6%	

**Department of Information Resources
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	198.0	198.0	198.0	208.0	208.0
Actual/Budgeted	189.4	192.0	206.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 6	\$184,792	\$184,792	\$184,792	\$184,792	\$184,792

Notes:

a) The agency has budgeted to exceed the fiscal year 2019 cap by 8.0 FTEs, as authorized under Section 6.10, Limitation on State Employment Levels, without necessitating the written approval of the Governor and Legislative Budget Board.

a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report No. 18-705, August 2018), indicates a market average salary of \$204,402 for the Executive Director position at the Department of Information Resources. The agency is requesting to increase the salary cap for the Executive Director position from \$184,792 to \$227,038.

Department of Information Resources
Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Reduce Security Assessments	The General Revenue DIR is appropriated is limited to providing security services. DIR would assume proportionate decreases for both security assessments and penetration testing.	\$300,000	\$300,000	0.0	\$0	10%	\$3,000,000	No
2)	Reduce Penetration Testing	The General Revenue DIR is appropriated is limited to providing security services. DIR would assume proportionate decreases for both security assessments and penetration testing.	\$20,000	\$20,000	0.0	\$0	10%	\$200,000	No
TOTAL, 10% Reduction Options			\$320,000	\$320,000	0.0	\$0			