# **WEST VIRGINIA LEGISLATURE**

## 2017 REGULAR SESSION

## Introduced

# House Bill 2900

FISCAL NOTE

By Mr. Speaker (Mr. Armstead) and Delegate Miley (By Request of the Executive)

[Introduced March 9, 2017; Referred to the Committee on Government Organization then Finance.]

A BILL to repeal §5A-7-1, §5A-7-2, §5A-7-3, §5A-7-4, §5A-7-4a, §5A-7-5, §5A-7-6, §5A-7-7, §5A-7-8, §5A-7-9, §5A-7-10 and §5A-7-11 of the Code of West Virginia, 1931, as amended; to amend and reenact §5A-6-4 of said code; to amend said code by adding thereto two new sections, designated §-5A-6-4d and §5A-6-4e; and to amend and reenact §18B-4-2 of said code; all relating to the Office of Technology; dissolving the Information Services and Communications Division; authorizing the Chief Technology Officer to assess fees for services provided; requiring the Chief Technology Officer to oversee telecommunications services to state spending units; requiring the Chief Technology Officer to supervise and maintain the central mailing office; requiring the Chief Technology Officer to oversee the West Virginia Network for Educational Telecomputing; directing the deposit of any moneys received for services; creating a special revenue account for administration of telecommunications services; authorizing the Chief Technology Officer to review an pay uncontested amounts due for telecommunications services; providing a process for state spending units to contest amounts due; authorizing the Chief Technology Officer to invoice spending units for amounts paid on behalf of the spending unit; authorizing the Secretary of the Department of Administration to make a final decision on contested amounts due; authorizing the secretary to direct the transfer of funds into the special revenue account for unpaid telecommunications services; authorizing the secretary to assess a penalty with notice on spending units for unpaid amounts for telecommunications services; and authorizing a special fund to receive moneys for services provided by the agency.

Be it enacted by the Legislature of West Virginia:

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That §5A-7-1, §5A-7-2, §5A-7-3, §5A-7-4, §5A-7-4a, §5A-7-5, §5A-7-6, §5A-7-7, §5A-7-8, §5A-7-9, §5A-7-10 and §5A-7-11 of the Code of West Virginia, 1931, as amended, be repealed; that §5A-6-4 of said code be amended and reenacted; that said code be amended by adding thereto two new sections, designated §5A-6-4d and §5A-6-4e; and to amend and reenact §18B-4-2 of said code, all to read as follows:

# **CHAPTER 5A. DEPARTMENT OF ADMINISTRATION.**

### ARTICLE 6. OFFICE OF TECHNOLOGY.

§5A-6-4. Powers and duties of the Chief Technology Officer generall	§5A-6-4.	Powers :	and duties	of the	Chief '	<b>Technology</b>	Officer	generally
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1	(a) With respect to all state spending units the Chief Technology Officer may:
2	(1) Develop an organized approach to information resource management for this state;
3	(2) Provide training and direct data processing services;
4	(2) (3) Provide technical assistance to the administrators of the various state spending
5	units in developing and improving data processing and telecommunications functions and in the
6	design and management of information systems;
7	(3) (4) Evaluate the economic justification, system design and suitability of information
8	equipment and related services, and review and make recommendations on the purchase, lease
9	or acquisition of information equipment and contracts for related services by the state spending
10	units;
11	(4) (5) Develop a mechanism for identifying those instances where systems of paper forms
12	should be replaced by direct use of information equipment and those instances where applicable
13	state or federal standards of accountability demand retention of some paper processes;
14	(5) (6) Develop a mechanism for identifying those instances where information systems
15	should be linked and information shared, while providing for appropriate limitations on access and
16	the security of information;
17	(6) (7) Create new technologies to be used in government, convene conferences and
18	develop incentive packages to encourage the utilization of technology;
19	(7) (8) Engage in any other activities as directed by the Governor;
20	(8) Charge (9) (A) Assess a fee to the state spending units for information services.
21	evaluations performed and technical assistance provided under the provisions of this section. The
22	Chief Technology Officer shall provide the spending unit a fixed schedule approved by the

Governor for fees assessed. If the spending unit contests any portion of the schedule, it shall remit payment for the uncontested amount and notify the Chief Technology Officer in writing within thirty days of the date of receipt of the schedule. The Chief Technology Officer shall work with the spending unit to resolve the contested amount. If no resolution is reached, the Secretary of the Department of Administration shall make a final determination of the contested amount.

- (B) All Fees collected by the Chief Technology Officer <u>pursuant to this subsection</u> shall be deposited in a special account in the State Treasury to be known as the <del>Chief Technology Officer Administration Fund. Expenditures from the fund shall be made by the Chief Technology Officer for the purposes set forth in this article and are not authorized from collections but are to be made only in accordance with appropriation by the Legislature and in accordance with the provisions of article three, chapter twelve of this code and upon the fulfillment of the provisions set forth in article two, chapter eleven-b of this code: *Provided*, That the provisions of section eighteen, article two, chapter eleven-b of this code do not operate to permit expenditures in excess of the spending authority authorized by the Legislature. Amounts collected which are found to exceed the funds needed for purposes set forth in this article may be transferred to other accounts or funds and redesignated for other purposes by appropriation of the Legislature Information Services and Communications Fund authorized in section four-e of this article.</del>
- (9) (10) Monitor trends and advances in information technology and technical infrastructure;
- (10) (11) Direct the formulation and promulgation of policies, guidelines, standards and specifications for the development and maintenance of information technology and technical infrastructure, including, but not limited to:
- (A) Standards to support state and local government exchange, acquisition, storage, use, sharing and distribution of electronic information;
- (B) Standards concerning the development of electronic transactions, including the use of electronic signatures;

(C) Standards necessary to support a unified approach to information technology across
the totality of state government, thereby assuring that the citizens and businesses of the state
receive the greatest possible security, value and convenience from investments made in
technology;

- (D) Guidelines directing the establishment of statewide standards for the efficient exchange of electronic information and technology, including technical infrastructure, between the public and private sectors;
- (E) Technical and data standards for information technology and related systems to promote efficiency and uniformity;
- (F) Technical and data standards for the connectivity, priorities and interoperability of technical infrastructure used for homeland security, public safety and health and systems reliability necessary to provide continuity of government operations in times of disaster or emergency for all state, county and local governmental units; and
- (G) Technical and data standards for the coordinated development of infrastructure related to deployment of electronic government services among state, county and local governmental units;
- (11) (12) Periodically evaluate the feasibility of subcontracting information technology resources and services, and to subcontract only those resources that are feasible and beneficial to the state;
- (12) (13) Direct the compilation and maintenance of an inventory of information technology and technical infrastructure of the state, including infrastructure and technology of all state, county and local governmental units, which may include personnel, facilities, equipment, goods and contracts for service, wireless tower facilities, geographic information systems and any technical infrastructure or technology that is used for law enforcement, homeland security or emergency services;
  - (13) (14) Develop job descriptions and qualifications necessary to perform duties related

to information technology as outlined in this article; and

- (15) The Chief Technology Officer is responsible for the management of the West Virginia Network for Educational Telecomputing (WVNET). The Chief Technology Officer shall establish a computer advisory board, which shall be representative of higher education and other users of the West Virginia Network for Educational Telecomputing as the commission and council determine appropriate. It is the responsibility of the computer advisory board to recommend to the Chief Technology Officer policies for a statewide shared computer system for institutions of higher education. The advisory board shall be exempt from the provisions of article three, chapter five-a of this code; and
- (14) (16) Promulgate legislative rules, in accordance with the provisions of chapter twentynine-a of this code, as may be necessary to standardize and make effective the administration of the provisions of article six of this chapter.
  - (b) With respect to executive agencies, the Chief Technology Officer may:
- (1) Develop a unified and integrated structure for information systems for all executive agencies;
- (2) Establish, based on need and opportunity, priorities and time lines for addressing the information technology requirements of the various executive agencies of state government;
- (3) Exercise authority delegated by the Governor by executive order to overrule and supersede decisions made by the administrators of the various executive agencies of government with respect to the design and management of information systems and the purchase, lease or acquisition of information equipment and contracts for related services;
- (4) Draw upon staff of other executive agencies for advice and assistance in the formulation and implementation of administrative and operational plans and policies;
- (5) Recommend to the Governor transfers of equipment and human resources from any executive agency and the most effective and efficient uses of the fiscal resources of executive agencies, to consolidate or centralize information-processing operations; and

- (6) Ensure information technology equipment is properly cleansed before disposal or transfer to another agency or organization, and is responsible for the including ensuring the proper retirement or transfer of information technology equipment that may contain confidential or privileged electronic data. Information technology equipment shall be cleansed using appropriate and effective methods that are commensurate with the data, the decommissioning agency and the planned disposition of the information technology equipment. Following the cleansing, the Chief Technology Officer may distribute the information technology equipment for reuse by another state spending unit, send the information technology equipment to a state authorized recycler or send the information technology equipment to a certified information technology equipment refurbisher. Transfers and disposal of information technology equipment are specifically exempt from the surplus property requirements enumerated in sections forty-three through forty-six, article three of this chapter.
- (c) The Chief Technology Officer may employ the personnel necessary to carry out the work of the Office of Technology and may approve reimbursement of costs incurred by employees to obtain education and training.
- (d) The Chief Technology Officer shall develop a comprehensive, statewide, four-year strategic information technology and technical infrastructure policy and development plan to be submitted to the Governor and the Joint Committee on Government and Finance. A preliminary plan shall be submitted by December 1, 2006, and the final plan shall be submitted by June 1, 2007. The plan shall include, but not be limited to:
  - (A) A discussion of Specific projects to implement the plan:
- (B) A discussion of the Acquisition, management and use of information technology by state agencies;
- (C) A discussion of Connectivity, priorities and interoperability of the state's technical infrastructure with the technical infrastructure of political subdivisions and encouraging the coordinated development of facilities and services regarding homeland security, law enforcement

and emergency services to provide for the continuity of government operations in times of disaster or emergency;

(D) A discussion identifying Identification of potential market demand areas in which expanded resources and technical infrastructure may be expected;

- (E) A discussion of Necessary technical infrastructure as it relates to higher education and health:
- (F) A discussion of the Use of public-private partnerships in the development of technical infrastructure and technology services; and
- (G) A discussion of Coordinated initiatives in website architecture and technical infrastructure to modernize and improve government to citizen services, government to business services, government-to-government relations and internal efficiency and effectiveness of services, including a discussion of common technical data standards and common portals to be utilized by state, county and local governmental units.
- (e) The Chief Technology Officer shall oversee telecommunications services used by state spending units for the purpose of maximizing efficiency to the fullest possible extent, <u>including:</u>
- The Chief Technology Officer shall establish (1) Establishing a microwave or other networks and LATA hops; audit
  - (2) Maintaining an account system for all telephone service to the state;
- (3) Auditing telecommunications services and usage, <u>and</u> recommend and develop strategies for the discontinuance of obsolete or excessive utilization; <del>participate</del>
  - (4) Participating in the renegotiation of telecommunications contracts; and
- 148 (5) To encourage the use of technology and take other actions necessary to provide the 149 greatest value to the state.
  - (f) The Chief Technology Officer shall supervise the central mailing office. The Chief Technology Officer shall collect a fee from each spending unit of state government served by the central mailing office for providing such services. The Chief Technology Officer shall keep the

central mailing office open during regular hours of the state spending units. The amounts collected pursuant to this subsection shall be deposited in the special account in the State Treasury known as the Postage Fund.

# §5A-6-4d. Payment of legitimate uncontested invoices for telecommunications services; procedures and powers of the Office of Technology and Secretary of Administration.

(a) To facilitate the administration and payment of telecommunications services, there is continued in the State Treasury a special revenue account to be known as the Telecommunications Services Payment and Reserve Fund. All moneys transferred from state spending units pursuant to the requirements of this section shall be deposited in the account. Expenditures from the fund shall be made by the Chief Technology Officer for telecommunications charges or telecommunications-related equipment, maintenance or services: *Provided*, That no more than \$150,000 or the actual amount collected pursuant to subsection (j) of this section in any fiscal year, whichever is less, may be expended from the fund in any fiscal year to defray the costs of administration of this section.

(b) Upon receipt of any telecommunications charges from a properly registered and qualified vendor, the Office of Technology shall conduct a preliminary review of the charges. If the Office of Technology determines during this preliminary review that: (1) Any of the charges are not authorized by law or by the contract under which the telecommunications services are provided; (2) no specific spending unit is designated for any charge; or (3) any charge or service is not in accordance with contract pricing, the Office of Technology shall reject those charges. Within fourteen days of receipt of any telecommunications charge, the Office of Technology shall notify a vendor of any rejected charges and shall include in the notice a description of the rejected charges, the reasons a charge was rejected and a proposed resolution of the rejected charge. The Office of Technology and the vendor shall attempt to resolve the matter in good faith. Within ninety days of the receipt of the vendor's invoice or a time period mutually agreed to by the vendor

and secretary, the secretary shall make the final decision as to the legitimacy of the rejected amount and determine if payment is warranted. If the final decision of the secretary is to require payment of the rejected amount, the secretary shall cause the Office of Technology to bill that amount to the appropriate spending unit which shall remit payment of the amount as required in subsection (c) of this section. If the final decision of the secretary is to refuse to pay any amount, the vendor may proceed in accordance with the provisions of article two, chapter fourteen of this code.

(c) Following the preliminary review of the charges, the Office of Technology shall fully apportion all telecommunications charges not rejected during the preliminary review required by subsection (b) of this section among spending units based on the spending unit's service and usage, as determined by the Office of Technology. The Office of Technology shall send each spending unit a statement of the spending unit's proportionate share of any telecommunications charges within thirty days of receipt by the Office of Technology of the invoice detailing the telecommunications charges. Monthly statements for a spending unit of less than \$75 may be accumulated and sent to the spending unit on one statement near the end of the fiscal year. The Office of Technology shall continue to pay any vendor invoices based upon the requirements of subsection (a) of this section. The statement is to provide a date of no more than thirty calendar days from the date the Officer of Technology sends the statement by which the spending unit shall submit payment or transfer to the telecommunications services payment and reserve fund all funds necessary to pay for the spending unit's charges in full: *Provided*, That the statement sent in last month of the fiscal year shall provide that the transfer shall be made by July 31. If feasible for the spending unit, the preferable method of payment is by intergovernmental transfer.

(d) All spending units shall budget for telecommunications service expenses. Prior to the date provided in each statement sent to a spending unit pursuant to subsection (c) of this section, each spending unit shall pay or transfer the statement amount to the Telecommunications Services Payment and Reserve Fund.

(e) If a spending unit fails to pay or transfer funds by the date specified in the statement sent pursuant to subsection (c) of this section, the Secretary of the Department of Administration shall transfer to the Telecommunications Services Payment and Reserve Fund the statement amount plus an additional penalty in the amount of three percent of the statement amount from any funds supporting the administration of that spending unit: *Provided*, That the secretary shall complete all such transfers by July 31 of each fiscal year. Upon exercising a transfer under the authority of this subsection, the Office of Technology shall provide a notification to the spending unit, including, but not limited to, the date, time, total amount of the transfer, statement amount and penalty amount. If a participating spending unit does not maintain funds in the State Treasury, the secretary may transfer funds by wire from any depository outside the State Treasury. A participating spending unit maintaining funds in depositories outside the State Treasury shall furnish the secretary access to those funds for the exclusive purposes of this section.

(f) If a spending unit contests any portion of its statement, it shall nonetheless remit payment for the entire statement amount and notify the Office of Technology in writing within thirty days of statement receipt by the spending unit. The secretary shall consider any contested apportionments of charges and provide a final determination on the apportionment of legitimate charges. Corrections or adjustments to apportionments may be effected on future transfer payments: *Provided*, That legitimate vendor charges are to be fully apportioned. If the basis of the contest is vendor error, overcharge, service failure, failure to terminate services as required by the Office of Technology or other failure of or error in vendor performance, the Office of Technology shall withhold the contested amount from current or future vendor payments, pending resolution by the secretary, and the Office of Technology shall bring the contested matter to the attention of the vendor. The Office of Technology and the vendor shall attempt to resolve the matter in good faith. Within ninety days of the receipt of the vendor's invoice or a time period mutually agreed to by the vendor and secretary, the secretary shall make the final decision as to the legitimacy of the contested amount and determine if payment is warranted. If the final decision

of the secretary is to refuse to pay any amount, the vendor may proceed in accordance with the provisions of article two, chapter fourteen of this code.

(g) The Office of Technology shall provide full payment of legitimate, uncontested telecommunications charges within ninety days of receipt of an invoice detailing the telecommunications charges by the Office of Technology. Payment for the charges shall be made by the Chief Technology Officer from the Telecommunications Services Payment and Reserve Fund.

(h) The Chief Technology Officer may direct the discontinuance of telecommunications services to any spending unit that fails to comply with the provisions of this section and the vendor supplying telecommunication services shall comply with the written direction of the Chief Technology Officer on discontinuance of services.

(i) To help defray the additional cost of administering this section, the Office of Technology may assess a proportional fee of up to \$150,000 in aggregate per fiscal year to the participating spending units based on each spending unit's portion of service and usage. This fee is to be included in the statement sent to spending units pursuant to subsection (c) of this section and transferred to the Telecommunications Service Payment and Reserve Fund by the date specified in the statement for the transfer of payment.

(j) Notwithstanding any other provision of this code to the contrary, for purposes of this section, an invoice is considered received by the Office of Technology on the date on which the invoice is marked as received by the Office of Technology, or three business days after the date of the postmark made by the United States Postal Service as evidenced on the envelope in which the invoice is mailed, whichever is earlier: *Provided*, That if an invoice is received by the Office of Technology prior to the date on which the telecommunications services covered by the invoice are delivered or fully performed, for purposes of determining the ninety-day time period for payment in subsection (g) of this section, the invoice is considered received on the date on which the telecommunications services covered by the invoice were delivered or fully performed.

(k) For purposes of this section, "telecommunications service" means and includes not only telephone service regulated under chapter twenty-four of this code or under federal law, but also may include, at the discretion of the Secretary of Administration, wireless service, voice over Internet protocol service, Internet service and any other service or equipment used for the electronic transmission of voice or data: *Provided*, That the service is provided under a statewide contract.

(I) The Chief Technology Officer may propose rules for legislative approval in accordance with the provisions of article three, chapter twenty-nine-a of this code to effectuate the purposes of this section.

### §5A-6-4e. Special fund created; payments into fund; disbursements from fund.

On July 1, 2017, the Information Services and Communication Fund, created in the State Treasury by the former section ten, article seven of this chapter shall be transferred to the Office of Technology, and the Chief Technology Officer Administration Fund, previously created in section four of this article, shall be closed and any balance remaining in the fund shall be transferred to the Information Services and Communications Fund. The Information Services and Communications Fund consists of appropriations by the Legislature, funds received for services provided pursuant to this article, any federal funds the agency is authorized to receive, and gifts, grants or donations received. Expenditures from the fund shall be made by the Chief Technology Officer for the purposes set forth in this article, and are not authorized from collections, but are to be made only in accordance with appropriation from the Legislature and in article three of chapter twelve of this code, and upon the fulfillment of the provisions of article two-b of chapter eleven of this code.

### **CHAPTER 18B. HIGHER EDUCATION.**

### **ARTICLE 4. GENERAL ADMINISTRATION.**

§18B-4-2. Employment of vice chancellor for administration; office; powers and duties

### generally.

- (a) By and with the advice and consent of the council, the commission shall employ a vice chancellor for administration who may not be dismissed without the consent of the council:
- (1) The individual serving as vice chancellor for administration on the effective date of this section may continue to serve on an interim basis until the commission and the council have agreed, jointly, on a candidate to fill the position;
- (2) The interim vice chancellor for administration may be considered as a candidate for the position;
  - (3) The position shall be filled on a permanent basis no later than October 1, 2004; and
- (4) Any vacancy occurring in this position shall be filled pursuant to the requirements of this section.
- (b) Any reference in this chapter or chapter eighteen-c of this code to the senior administrator means the vice chancellor for administration.
- (c) The vice chancellor for administration has a ministerial duty, in consultation with and under direction of the chancellors, to perform such functions, tasks and duties as may be necessary to carry out the policy directives of the council and commission and such other duties as may be prescribed by law.
- (d) The vice chancellor for administration shall supervise such professional, administrative, clerical and other employees as may be necessary to these duties and shall delineate staff responsibilities as considered desirable and appropriate. It is the responsibility of the vice chancellor for administration, within the parameters of the total resources available, to supervise and direct the staff in such a way that the staff and resource needs of the council, the commission and the offices of the chancellors are met.
- (e) Any employee of the commission or the council whose job duties meet criteria listed in the system of job classifications as stated in article nine of this chapter is accorded the job title, compensation and rights established in the article as well as all other rights and privileges

accorded classified employees by the provisions of this code.

- (f) The office of the vice chancellor for administration and all personnel, except for the chancellor for community and technical college education and staff transferred to the jurisdiction of the council pursuant to subsection (a), section seven, article two-b of this chapter, who are employed on January 1, 2004, within the higher education central office and the West Virginia network for educational telecomputing remain under the jurisdiction of the commission. Prior to October 1, 2004, any such employee may not be terminated or have his or her salary and benefit levels reduced as the result of the higher education reorganization that occurs on the effective date of this section.
- (g) The vice chancellor for administration shall follow state and national education trends and gather data on higher education needs.
- (h) The vice chancellor for administration, in accordance with established guidelines and in consultation with and under the direction of the chancellors, shall administer, oversee or monitor all state and federal student assistance and support programs administered on the state level, including those provided for in chapter eighteen-c of this code.
- (i) The vice chancellor for administration has a fiduciary responsibility to administer the tuition and registration fee capital improvement revenue bond accounts of the governing boards.
- (j) The vice chancellor for administration shall administer the purchasing system or systems of the council and commission, the offices of the chancellors and the governing boards. By mutual agreement, the commission and the council may delegate authority for the purchasing systems or portions thereof to the institution presidents.
- (k) The vice chancellor for administration is responsible for the management of the West Virginia network for educational telecomputing (WVNET). The vice chancellor for administration shall establish a computer advisory board, which shall be representative of higher education and other users of the West Virginia network for educational telecomputing as the commission and council determine appropriate. It is the responsibility of the computer advisory board to

recommend to the commission and the council policies for a statewide shared computer system.

(I) (k) The central office, under the direction of the vice chancellor for administration, shall provide necessary staff support to the commission, the council and offices of the chancellors.

(m) (I) The vice chancellor for administration may administer any program or service authorized or required to be performed by the Board of Trustees or the Board of Directors on June 30, 2000, and not specifically assigned to another agency. In addition, the vice chancellor for administration may administer any program or service authorized or required to be performed by the commission, council or chancellors, but not assigned specifically to the commission, council or chancellors. Any such program or service may include, but is not limited to, telecommunications activities and other programs and services provided for under grants and contracts from federal and other external funding sources.

NOTE: The purpose of this bill is to dissolve the Information Services and Communications Division under the Office of Technology, and to require the Office of Technology oversee WVNET.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.