

1 Introduced by Committee on Energy and Technology

2 Date:

3 Subject: Information technology; Agency of Digital Services; technical  
4 corrections; Vermont Statutes Annotated

5 Statement of purpose of bill as introduced: This bill proposes to make  
6 technical corrections to the Vermont Statutes Annotated to transfer the  
7 authority from the former Department of Information and Innovation to the  
8 newly created Agency of Digital Services and to amend the authority of the  
9 Agency of Digital Services.

10 An act relating to the authority of the Agency of Digital Services

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 3 V.S.A. § 218 is amended to read:

13 § 218. AGENCY/DEPARTMENT RECORDS MANAGEMENT PROGRAM

14 (a) The General Assembly finds that public records are essential to the  
15 administration of State and local government. Public records contain  
16 information ~~which~~ that allows government programs to function, provides  
17 officials with a basis for making decisions, and ensures continuity with past  
18 operations. Public records document the legal responsibilities of government,  
19 help protect the rights of citizens, and provide citizens a means of monitoring  
20 government programs and measuring the performance of public officials.

1 Public records provide documentation for the functioning of government and  
2 for the retrospective analysis of the development of Vermont government and  
3 the impact of programs on citizens. Public records in general and archival  
4 records in particular need to be systematically managed to preserve their legal,  
5 historic, and informational value, to provide ready access to vital information,  
6 and to promote the efficient and economical operation of government.

7 \* \* \*

8 (10) implement and sustain a record schedule in accordance with  
9 requirements established by the Vermont State Archives and Records  
10 Administration under section 117 of this title and the ~~Department of~~  
11 ~~Information and Innovation~~ Agency of Digital Services under ~~subdivision~~  
12 ~~2222(a)(10)~~ chapter 56 of this title.

13 \* \* \*

14 Sec. 2. 3 V.S.A. § 346 is amended to read:

15 § 346. STATE CONTRACTING; INTELLECTUAL PROPERTY,  
16 SOFTWARE DESIGN, AND INFORMATION TECHNOLOGY

17 (a) The Secretary of Administration shall include in Administrative  
18 Bulletin 3.5 a policy direction applicable to State procurement contracts that  
19 include services for the development of software applications, computer  
20 coding, or other intellectual property, which would allow the State of Vermont

1 to grant permission to the contractor to use or own the intellectual property  
2 created under the contract for the contractor’s commercial purposes.

3 \* \* \*

4 (c) If the Secretary authorizes a contractor to own intellectual property  
5 developed under a State contract, the Secretary may recommend language to  
6 ensure the State retains a perpetual, irrevocable, royalty-free, and fully paid  
7 right to continue to use the intellectual property, including escrow for perpetual  
8 use at least annually.

9 Sec. 3. 3 V.S.A. § 2222 is amended to read:

10 § 2222. POWERS AND DUTIES; BUDGET AND REPORT

11 (a) In addition to the duties expressly set forth elsewhere by law, the  
12 Secretary shall:

13 (1) As principal administrative aide to the Governor, plan, organize,  
14 direct, control, integrate, coordinate, and supervise all functions and programs  
15 of the Agency and its departments and divisions.

16 \* \* \*

17 ~~(9) Submit to the General Assembly, concurrent with the Governor’s~~  
18 ~~annual budget request required under 32 V.S.A. § 306, a strategic plan for~~  
19 ~~information technology and information security that outlines the significant~~  
20 ~~deviations from the previous year’s plan, and that details the plans for~~  
21 ~~information technology activities of State government for the following fiscal~~

1 year as well as the administration’s financing recommendations for these  
2 activities. For purposes of this section, “information security” shall mean  
3 protecting information and information systems from unauthorized access, use,  
4 disclosure, disruption, modification, or destruction in order to provide  
5 integrity, confidentiality, and availability. All such plans shall be reviewed  
6 and approved by the State Chief Information Officer prior to being included in  
7 the Governor’s annual budget request. The plan shall identify the proposed  
8 sources of funds for each project identified. The plan shall also contain a  
9 review of the State’s information technology and information security and an  
10 identification of priority projects by agency. The plan shall include, for any  
11 proposed information technology activity with a cost in excess of \$500,000.00:

12           (A) a life cycle costs analysis including planning, purchase, and  
13 development of applications, the purchase of hardware, and the ongoing  
14 operation and maintenance costs to be incurred over the expected life of the  
15 systems; and a cost benefit analysis that shall include acquisition costs as well  
16 as operational and maintenance costs over the expected life of the system;

17           (B) the cost savings and any service delivery improvements, or both,  
18 that will accrue to the public or to State government;

19           (C) a statement identifying any impact of the proposed new computer  
20 system on the privacy or disclosure of individually identifiable information;



1 ~~Documentation of this independent review shall be included when plans are~~  
2 ~~submitted for review pursuant to subdivisions (a)(9) and (10) of this section.~~

3 ~~The independent review shall include:~~

4 ~~(A) an acquisition cost assessment;~~

5 ~~(B) a technology architecture review;~~

6 ~~(C) an implementation plan assessment;~~

7 ~~(D) a cost analysis and a model for benefit analysis;~~

8 ~~(E) a procurement negotiation advisory services contract; and~~

9 ~~(F) an impact analysis on net operating costs for the agency carrying~~  
10 ~~out the activity.~~

11 ~~(2) The Secretary of Administration may assess the costs of any review~~  
12 ~~to the entity making the information technology recommendations.~~

13 [Repealed.]

14 \* \* \*

15 Sec. 4. 3 V.S.A. § 2283b is amended to read:

16 § 2283b. ~~DEPARTMENT OF INFORMATION AND INNOVATION~~

17 ~~The Department of Information and Innovation is created within the~~  
18 ~~Agency of Administration. The Department shall administer the programs and~~  
19 ~~perform the functions assigned to it in 22 V.S.A. chapter 15 and is charged~~  
20 ~~with other responsibilities assigned to it by law. [Repealed.]~~

1 Sec. 5. 3 V.S.A. chapter 56 is added to read:

2 CHAPTER 56. AGENCY OF DIGITAL SERVICES

3 § 3301. AGENCY OF DIGITAL SERVICES; CREATED

4 (a) The Agency of Digital Services is created to provide oversight for all  
5 information technology services and solutions in State government. The  
6 Agency shall have all the responsibilities assigned to it by law, including the  
7 following:

8 (1) Provide services for all activities directly related to information  
9 technology and information security, including telecommunications services,  
10 information technology equipment, software, accessibility, networks in State  
11 government, and the sharing of data and information within State government.

12 (2) Review and approve information technology activities within State  
13 government with a total cost in excess of \$500,000.00.

14 (3) Prepare and submit an annual report to the General Assembly for  
15 information technology. The report shall include an annual update to the  
16 strategic plan prepared pursuant to subdivision (4) of this section; performance  
17 metrics and trends, including baseline and annual measurements, for each  
18 division of the Agency; and a financial report of revenues and expenditures to  
19 date for the current fiscal year. The annual report shall also include costs  
20 avoided or saved as a result of technology optimization for the previous fiscal  
21 year; shall outline summary information, including scope, schedule, budget,

1 and status for information technology projects with a total cost in excess of  
2 \$500,000.00; and shall reflect the priority of projects by agency. The report  
3 shall also include a summary of independent reviews as required by  
4 subdivision (5) of this subsection. The Agency shall maintain the following  
5 records for information technology projects with a total cost in excess of  
6 \$500,000.00:

7 (A) A business case, including life-cycle costs and sources of funds  
8 for design, development, and implementation, as well as maintenance and  
9 operations. The business case shall include expected benefits, including cost  
10 savings and service delivery improvements.

11 (B) Detailed project plans and status reports, including risk  
12 identification and risk mitigation plans.

13 (4) Prepare and submit biannually, in consultation with the Secretary of  
14 Administration, a strategic plan for information technology and security to the  
15 General Assembly. The strategic plan shall include the Agency's vision,  
16 mission, objectives, strategies, and overarching action plans for information  
17 technology within State government, and update the information technology  
18 goals for State government for the following fiscal year.

19 (5) Obtain independent expert review of any new information  
20 technology projects with a total cost in excess of \$1,000,000.00 or when



1 required by the State Chief Information Officer. The independent review shall  
2 include:

3 (A) an acquisition cost assessment;

4 (B) a technology architecture review;

5 (C) an implementation plan assessment;

6 (D) a cost analysis and a model for benefit analysis;

7 (E) an analysis of alternatives, and

8 (F) an impact analysis on net operating costs for the agency carrying  
9 out the activity.

10 (6) Provide strategy, services, and solutions for information technology  
11 activities within State government with a total cost in excess of \$500,000.00.  
12 The cost of the oversight, monitoring, and control shall be assessed to the  
13 entity requesting the activity.

14 (7) Provide information technology project management services and  
15 business analyst services to the Executive Branch. When project managers are  
16 not available, the Agency shall procure those services and bill them back to the  
17 agencies using the services.

18 (8) Provide standards for the management, organization, and tracking of  
19 information technology activities within State government with a total cost in  
20 excess of \$500,000.00.

1           (9) Create information technology procurement policy and process for  
2           State government within the Agency of Administration, and review all  
3           information technology and information technology requests for proposal in  
4           accordance with Agency of Administration policies.

5           (10) Perform the responsibilities of the Secretary of Administration  
6           under 30 V.S.A. § 227b.

7           (11) Inventory technology fixed assets within State government.

8           (12) Manage the training and classification of information technology  
9           employees within State government in collaboration with the Agency of  
10          Administration.

11          (13) Support the statewide development of broadband  
12          telecommunications infrastructure and services, in a manner consistent with  
13          the telecommunications plan prepared pursuant to 30 V.S.A. § 202d and  
14          community development objectives established by the Agency of Commerce  
15          and Community Development, by:

16               (A) purchasing telecommunications services or facilities at rates  
17               competitive within the national marketplace;

18               (B) sharing bandwidth with service providers or other users;

19               (C) establishing equipment colocation arrangements with service  
20               providers; or

21               (D) making other reasonable arrangements.

1           (14) Develop information technology policies for State government.

2           (15) Provide technical support and services to the Legislative and  
3 Judicial branches, as needed.

4           (b) As used in this section:

5           (1) “Information security” means protecting information and  
6 information systems from unauthorized access, use, disclosure, disruption,  
7 modification, or destruction in order to provide integrity, confidentiality, and  
8 availability.

9           (2) “Information technology activities” means:

10           (A) the creation, collection, processing, storage, management,  
11 transmission, or conversion of electronic data, documents, or records; and

12           (B) the design, construction, purchase, installation, maintenance, or  
13 operation of systems, including hardware, software, and services that perform  
14 or are contracted under Administrative Bulletin 3.5 to perform these activities.

15           (3) “State government” means the agencies of the Executive Branch of  
16 State government.

17           § 3302. APPOINTMENT OF SECRETARY; POWERS

18           AND DUTIES

19           (a) The Governor, with the advice and consent of the Senate, shall appoint  
20 the Secretary of Digital Services who shall be the Chief Information Officer of

1 the State. The Secretary shall appoint a deputy secretary who shall serve at the  
2 pleasure of the Secretary.

3 (b) The Secretary shall serve as the administrative head of the Agency of  
4 Digital Services, and shall have the following responsibilities:

5 (1) coordinate and optimize the use of technology within State  
6 government;

7 (2) approve, in consultation with the Agency of Administration, State  
8 government information technology contracts and procurement activity;

9 (3) review and approve State government information technology  
10 policies;

11 (4) approve State government information technology recruitment and  
12 classification of employees; and

13 (5) supervise all information technology employees in State  
14 government.

15 § 3303. INFORMATION TECHNOLOGY INTERNAL SERVICE FUND

16 (a) An Information Technology Internal Service Fund is created to support  
17 activities of the Agency of Digital Services.

18 (b) An agency, department, or division or other State or nonstate entity that  
19 receives services of the Agency of Digital Services shall be charged for those  
20 services on a basis established by the Secretary of Digital Services with the  
21 approval of the Secretary of Administration.

1 Sec. 6. 10 V.S.A. § 122 is amended to read:

2 § 122. VERMONT CENTER FOR GEOGRAPHIC INFORMATION,  
3 INCORPORATED; ESTABLISHMENT

4 (a) The State of Vermont shall support a comprehensive strategy for the  
5 development and use of a geographic information system, including:

6 \* \* \*

7 (b) In order to develop and implement that strategy, and to ensure that all  
8 data gathered by State agencies that is relevant to the VGIS shall be in a form  
9 that is compatible with, useful to, and shared with that geographic information  
10 system, there is hereby established as a division under the Agency of  
11 ~~Commerce and Community Development~~ Digital Services the Vermont Center  
12 for Geographic Information (the Center).

13 (c) [Repealed.]

14 Sec. 7. 10 V.S.A. § 128 is amended to read:

15 § 128. VERMONT CENTER FOR GEOGRAPHIC INFORMATION  
16 SPECIAL FUND

17 (a) A Special Fund is created for the operation of the Vermont Center for  
18 Geographic Information in the Agency of ~~Commerce and Community~~  
19 ~~Development~~ Digital Services. The Fund shall consist of revenues derived  
20 from the charges by the Agency of ~~Commerce and Community Development~~  
21 Digital Services pursuant to subsection (c) of this section for the provision of

1 Geographic Information products and services, interest earned by the Fund,  
2 and sums which from time to time may be made available for the support of  
3 the Center and its operations. The Fund shall be established and managed  
4 pursuant to 32 V.S.A. chapter 7, subchapter 5 and shall be available to the  
5 Agency to support activities of the Center.

6 (b) The receipt and expenditure of monies from the Special Fund shall be  
7 under the supervision of the Secretary of ~~Commerce and Community~~  
8 Development Digital Services.

9 (c) Notwithstanding 32 V.S.A. § 603, the Secretary of ~~Commerce and~~  
10 Community Development Digital Services is authorized to impose charges  
11 reasonably related to the costs of the products and services of the Vermont  
12 Center for Geographic Information, including the cost of personnel,  
13 equipment, supplies, and intellectual property.

14 Sec. 8. REPEAL

15 22 V.S.A. chapter 15 (Department of Information and Innovation) is  
16 repealed.

17 Sec. 9. 22 V.S.A. § 952 is amended to read:

18 § 952. VERMONT WEB PORTAL; VERMONT WEB PORTAL BOARD;  
19 MEMBERSHIP

20 (a) There is created the Vermont web portal which shall be governed by a  
21 Board consisting of 10 members as follows:







1 Department shall be responsible for the provision of plans for meeting  
2 emerging trends related to telecommunications technology, markets, financing,  
3 and competition.

4 (b) The Department shall prepare the Telecommunications Plan for the  
5 State. The ~~Department of Innovation and Information~~ Agency of Digital  
6 Services, the Agency of Commerce and Community Development, and the  
7 Agency of Transportation shall assist the Department in preparing the Plan.  
8 The Plan shall be for a 10-year period and shall serve as a basis for State  
9 telecommunications policy. Prior to preparing the Plan, the Department shall  
10 prepare:

11 \* \* \*

12 (4) An assessment, conducted in cooperation with the ~~Department of~~  
13 ~~Innovation and Information~~ Agency of Digital Services and the Agency of  
14 Transportation, of the current State telecommunications system and evaluation  
15 of alternative proposals for upgrading the system to provide the best available  
16 and affordable technology for use by government.

17 \* \* \*

18 (d) In establishing plans, public hearings shall be held and the Department  
19 shall consult with members of the public, representatives of  
20 telecommunications utilities with a certificate of public good, other providers,  
21 including the Vermont Electric Power Co., Inc. (VELCO), and other interested

1 State agencies, particularly the Agency of Commerce and Community  
2 Development, the Agency of Transportation, and the ~~Department of Innovation~~  
3 ~~and Information~~ Agency of Digital Services, whose views shall be considered  
4 in preparation of the Plan. To the extent necessary, the Department shall  
5 include in the Plan surveys to determine existing, needed, and desirable plant  
6 improvements and extensions, access and coordination between  
7 telecommunications providers, methods of operations, and any change that will  
8 produce better service or reduce costs. To this end, the Department may  
9 require the submission of data by each company subject to supervision by the  
10 Public Utility Commission.

11 \* \* \*

12 Sec. 12. 32 V.S.A. § 183 is amended to read:

13 § 183. FINANCIAL AND HUMAN RESOURCE INFORMATION

14 INTERNAL SERVICE FUND

15 (a) There is established in the Department of Finance and Management a  
16 Financial and Human Resource Information Internal Service Fund, to consist  
17 of revenues from charges to agencies, departments, and similar units of  
18 Vermont State government, and to be available to fund the costs of the  
19 Division of Financial Operations in the Department of Finance and  
20 Management, and the technical support and services provided by the  
21 ~~Department of Information and Innovation~~ Agency of Digital Services for the

1 statewide central accounting and encumbrance, budget development, and  
2 human resource management systems.

3 (b) The rate of the charges shall be proposed by the Commissioner of  
4 Finance and Management, subject to the approval of the Secretary of  
5 Administration. Proposed rates of charges shall be based upon the cost of  
6 operations.

7 Sec. 13. 32 V.S.A. § 315 is amended to read:

8 § 315. ~~ANNUAL REPORT; INFORMATION TECHNOLOGY~~

9 ~~(a) Annual report. The Agency of Administration shall annually present to~~  
10 ~~the General Assembly a five-year Information Technology (IT) Program. The~~  
11 ~~Program shall be consistent with the planning process established in 22 V.S.A.~~  
12 ~~§ 901 and shall include for each fiscal year:~~

13 ~~(1) IT activities estimated to cost \$1,000,000.00 or more;~~

14 ~~(2) systemwide performance measures;~~

15 ~~(3) performance measures for projects; and~~

16 ~~(4) the budget for the Department of Information and Innovation (DII).~~

17 ~~(b) IT activities estimated to cost \$1,000,000.00 or more.~~

18 ~~(1) For each new proposed project with an estimated total cost that~~  
19 ~~exceeds \$1,000,000.00, there shall be:~~

20 ~~(A) a description of the project;~~

21 ~~(B) the justification for the scope of the project;~~

1           ~~(C) an explanation of proposed project management methodology,~~  
2           ~~including the relationship between chosen methodology and project scope;~~

3           ~~(D) a project budget that includes all projected costs, including~~  
4           ~~operating costs and personnel services; and~~

5           ~~(E) a project timeline with projected costs, matched to a detailed list~~  
6           ~~of all estimated funding sources and amounts.~~

7           ~~(2) The reporting requirements set forth in subdivision (1) of this~~  
8           ~~subsection shall not be interpreted or applied to limit the project methodology~~  
9           ~~chosen for any project.~~

10           ~~(3) For each ongoing project with an estimated total cost that exceeds~~  
11           ~~\$1,000,000.00, there shall be:~~

12           ~~(A) a budget that includes all costs including operating costs and~~  
13           ~~personnel services;~~

14           ~~(B) a cost benefit analysis, which shall include:~~

15           ~~(i) an explanation of ongoing costs, including training and~~  
16           ~~maintenance, after project implementation;~~

17           ~~(ii) an analysis of the net benefit to the project users, and to the~~  
18           ~~State, from proceeding with the project, in comparison to not proceeding with~~  
19           ~~the project;~~

20           ~~(iii) projected savings, including personnel services, if any, that~~  
21           ~~will result from the project; and~~

1           ~~(iv) other benefits to the project users, and to the State, from~~  
2           ~~proceeding with the project, in comparison to not proceeding with the~~  
3           ~~project; and~~

4           ~~(C) a statement whether any of the information provided pursuant to~~  
5           ~~subdivision (1) of this subsection (b) has changed or is no longer accurate and~~  
6           ~~an explanation of the reasons.~~

7           ~~(e) Systemwide performance measures. The Agency of Administration~~  
8           ~~shall develop systemwide performance measures which analyze the overall~~  
9           ~~performance of the State government IT system. The Program:~~

10           ~~(1) shall indicate the background and utility of the performance~~  
11           ~~measures;~~

12           ~~(2) shall track the performance measures over time;~~

13           ~~(3) where appropriate, shall recommend the setting of targets for the~~  
14           ~~performance measures;~~

15           ~~(4) shall indicate the overall condition of the system; and~~

16           ~~(5) shall indicate potential risks measured by severity and likelihood and~~  
17           ~~plans to mitigate those risks.~~

18           ~~(d) Performance measures. The Agency of Administration shall develop~~  
19           ~~performance measures for projects. The Program:~~

20           ~~(1) shall indicate the background and utility of the performance~~  
21           ~~measures;~~

1           ~~(2) shall track the performance measures over time; and~~

2           ~~(3) shall indicate potential risks measured by severity and likelihood and~~  
3 ~~plans to mitigate those risks.~~

4           ~~(e) The budget for DII. The Program shall include:~~

5           ~~(1) the recommended budget for DII; and~~

6           ~~(2) the DII fee charged to each branch, agency, and department and the~~  
7 ~~services provided.~~

8           ~~(f) Each year following the submission of an IT Program under this section,~~  
9 ~~the Agency shall prepare and make available to the public the Program.~~

10           [Repealed.]

11           Sec. 14. 32 V.S.A. § 1003(b) is amended to read:

12           (b) The Governor may appoint each officer of the Executive Branch listed  
13 in this subsection at a starting salary ranging from the base salary stated for  
14 that position to a salary ~~which~~ that does not exceed the maximum salary unless  
15 otherwise authorized by this subsection. The maximum salary for each  
16 appointive officer shall be 50 percent above the base salary. Annually, the  
17 Governor may grant to each of those officers an annual salary adjustment  
18 subject to the maximum salary. The annual salary adjustment granted to  
19 officers under this subsection shall not exceed the average of the total rate of  
20 adjustment available to classified employees under the collective bargaining  
21 agreement then in effect. In addition to the annual salary adjustment specified

1 in this subsection, the Governor may grant a special salary increase subject to  
2 the maximum salary, or a bonus, to any officer listed in this subsection whose  
3 job duties have significantly increased, or whose contributions to the State in  
4 the preceding year are deemed especially significant. Special salary increases  
5 or bonuses granted to any individual shall not exceed the average of the total  
6 rate of adjustment available to classified employees under the collective  
7 bargaining agreement then in effect.

8 (1) Heads of the following Departments and Agencies:

	Base Salary	Base Salary
	as of	as of
	July 10, 2016	July 09, 2017
9 (A) Administration	\$100,416	\$104,382

10 \* \* \*

11 (T) ~~Information and Innovation~~ Digital Services

12	<del>93,874</del> <u>100,416</u>	<del>97,582</del> <u>104,382</u>
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13 \* \* \*

14 Sec. 15. EFFECTIVE DATE

15 This act shall take effect on passage.