

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Energy and Technology to which was referred House  
3 Bill No. 135 entitled “An act relating to authority of the Agency of Digital  
4 Services” respectfully reports that it has considered the same and recommends  
5 that the bill be amended by striking out all after the enacting clause and  
6 inserting in lieu thereof the following:

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

8 § 218. ~~AGENCY/DEPARTMENT~~ AGENCY AND DEPARTMENT  
9 RECORDS MANAGEMENT PROGRAM

10 (a) The General Assembly finds that public records are essential to the  
11 administration of State and local government. Public records contain  
12 information ~~which~~ that allows government programs to function, provides  
13 officials with a basis for making decisions, and ensures continuity with past  
14 operations. Public records document the legal responsibilities of government,  
15 help protect the rights of citizens, and provide citizens a means of monitoring  
16 government programs and measuring the performance of public officials.  
17 Public records provide documentation for the functioning of government and  
18 for the retrospective analysis of the development of Vermont government and  
19 the impact of programs on citizens. Public records in general and archival  
20 records in particular need to be systematically managed to preserve their legal,

1 historic, and informational value, to provide ready access to vital information,  
2 and to promote the efficient and economical operation of government.

3 \* \* \*

4 (c) For an agency or department records program to be approved by the  
5 Vermont State Archives and Records Administration, the head of each State  
6 agency or department shall:

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 an  
19 annual report for information technology and ~~information security that~~  
20 ~~outlines the significant deviations from the previous year's plan, and that~~  
21 ~~details the plans for information technology activities of State government for~~

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

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

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

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



1 ~~greater or when required by the State Chief Information Officer.~~

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

4 ~~The independent review shall include:~~

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

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

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

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

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

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

12 ~~(2) The Secretary of Administration may assess the costs of any review~~  
13 ~~to the entity making the information technology recommendations. [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 information  
5 technology services and solutions in State government. The cost of the  
6 oversight, monitoring, and control shall be assessed to the entity requesting the  
7 activity. The Agency shall have all the responsibilities assigned to it by law,  
8 including the following:

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

13 (2) Review and approve all information technology activities within  
14 State government.

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

1 year; shall outline summary information, including scope, schedule, budget,  
2 and status for information technology projects with a total cost in excess of  
3 \$500,000.00; and shall reflect the priority of projects by agency. The report  
4 shall also include a summary of independent reviews as required by  
5 subdivision (5) of this subsection and include the Agency budget submission.

6 The Agency shall maintain the following records for information technology  
7 projects with a total cost in excess of \$500,000.00:

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

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

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

1           (5) Obtain independent expert review of any new information  
2 technology projects with a total cost of \$1,000,000.00 or greater when required  
3 by the State Chief Information Officer. The independent review shall include:

4           (A) an acquisition cost assessment;

5           (B) a technology architecture and standards review;

6           (C) an implementation plan assessment;

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

8           (E) an analysis of alternatives;

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

11           (G) a security assessment.

12           (6) Provide strategy, services, and solutions for information technology  
13 activities within State government with a total cost in excess of \$500,000.00.

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 in collaboration with the Agency of Administration, and  
3           review all information technology and information technology requests for  
4           proposal in 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 and cybersecurity policies for  
2           State government.

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

5           (b) As used in this section:

6           (1) “Cybersecurity” means protecting information and information  
7           systems from unauthorized access, use, disclosure, disruption, modification, or  
8           destruction in order to provide integrity, confidentiality, and 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 AND DUTIES

18           (a) The Governor, with the advice and consent of the Senate, shall appoint  
19           the Secretary of Digital Services who shall be the Chief Information Officer of  
20           the State. The Secretary shall appoint a deputy secretary who shall serve at the  
21           pleasure of the Secretary.

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

3            (1) coordinate and optimize the use of technology within State  
4        government;

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

7            (3) review and approve State government information technology and  
8        cybersecurity policies;

9            (4) approve State government information technology recruitment and  
10       classification of employees; and

11           (5) supervise all information technology employees and contractors in  
12       State government.

13        § 3303. INFORMATION TECHNOLOGY INTERNAL SERVICE FUND

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

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





1 Sec. 9. 22 V.S.A. § 953 is amended to read:

2 § 953. VERMONT WEB PORTAL BOARD; DUTIES

3 (a) The Board shall:

4 (1) Oversee the development of a self-funded web portal and establish  
5 charges for the services it provides.

6 (2) Oversee development, implementation, and promotion, in  
7 cooperation with the ~~Department of Information and Innovation~~ Agency of  
8 Digital Services, of electronic commerce and digital signature applications  
9 involving the State of Vermont.

10 (3) Serve in an advisory capacity to the Agency of ~~Administration~~  
11 Digital Services and other State agencies regarding the dissemination and  
12 collection of State data to and from the citizens and businesses of Vermont.

13 (4) Seek ~~advice~~ input from the general public, users of the web portal,  
14 professional associations, academic groups, and institutions and individuals  
15 with knowledge or interest in computer networking, electronic mail, public  
16 information access, gateway services, add-on services, and electronic filing of  
17 information.

18 (5) Accept gifts, donations, and grants for the support of the Vermont  
19 web portal.

20 (6) Oversee drafting and implementation by the ~~Department of~~  
21 ~~Information and Innovation~~ Agency of Digital Services of the contract with the

1 web portal service provider. This contract shall comply with State security and  
2 privacy standards.

3 \* \* \*

4 Sec. 10. 30 V.S.A. § 202d is amended to read:

5 § 202d. TELECOMMUNICATIONS PLAN

6 (a) The Department of Public Service shall constitute the responsible  
7 planning agency of the State for the purpose of obtaining for all consumers in  
8 the State stable and predictable rates and a technologically advanced  
9 telecommunications network serving all service areas in the State. The  
10 Department shall be responsible for the provision of plans for meeting  
11 emerging trends related to telecommunications technology, markets, financing,  
12 and competition.

13 (b) The Department shall prepare the Telecommunications Plan for the  
14 State. The ~~Department of Innovation and Information~~ Agency of Digital of  
15 Services, the Agency of Commerce and Community Development, and the  
16 Agency of Transportation shall assist the Department in preparing the Plan.  
17 The Plan shall be for a 10-year period and shall serve as a basis for State  
18 telecommunications policy. Prior to preparing the Plan, the Department shall  
19 prepare:

20 \* \* \*



1 Sec. 11. 32 V.S.A. § 183 is amended to read:

2 § 183. FINANCIAL AND HUMAN RESOURCE INFORMATION

3 INTERNAL SERVICE FUND

4 (a) There is established in the Department of Finance and Management a  
5 Financial and Human Resource Information Internal Service Fund, to consist  
6 of revenues from charges to agencies, departments, and similar units of  
7 Vermont State government, and to be available to fund the costs of the  
8 Division of Financial Operations in the Department of Finance and  
9 Management, and the technical support and services provided by the  
10 ~~Department of Information and Innovation~~ Agency of Digital Services for the  
11 statewide central accounting and encumbrance, budget development, and  
12 human resource management systems.

13 (b) The rate of the charges shall be proposed by the Commissioner of  
14 Finance and Management, subject to the approval of the Secretary of  
15 Administration. Proposed rates of charges shall be based upon the cost of  
16 operations.

17 Sec. 12. 32 V.S.A. § 315 is amended to read:

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

19 ~~(a) Annual report. The Agency of Administration shall annually present to~~  
20 ~~the General Assembly a five year Information Technology (IT) Program. The~~

1 ~~Program shall be consistent with the planning process established in 22 V.S.A.~~

2 ~~§ 901 and shall include for each fiscal year:~~

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

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

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

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

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

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

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

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

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

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

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

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

1           ~~(3) For each ongoing project with an estimated total cost that exceeds~~  
2           ~~\$1,000,000.00, there shall be:~~

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

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

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

8                             ~~(ii) an analysis of the net benefit to the project users, and to the~~  
9           ~~State, from proceeding with the project, in comparison to not proceeding with~~  
10           ~~the project;~~

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

13                            ~~(iv) other benefits to the project users, and to the State, from~~  
14           ~~proceeding with the project, in comparison to not proceeding with the project;~~  
15           ~~and~~

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

19           ~~(c) Systemwide performance measures. The Agency of Administration shall~~  
20           ~~develop systemwide performance measures which analyze the overall~~  
21           ~~performance of the State government IT system. The Program:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

3       [Repealed.]

4       Sec. 13. EFFECTIVE DATE

5       This act shall take effect on passage.

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13       (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

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Representative \_\_\_\_\_

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FOR THE COMMITTEE