

SB 1090 A STAFF MEASURE SUMMARY**Carrier:** Rep. Nguyen D**Joint Committee On Information Management and Technology****Action Date:** 05/30/25**Action:** Do Pass the A-Eng bill.**House Vote****Yeas:** 3 - Edwards, Nathanson, Nguyen D**Senate Vote****Yeas:** 3 - Manning Jr, Robinson, Sollman**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Sean McSpaden, Committee Coordinator**Meeting Dates:** 4/4, 5/30**WHAT THE MEASURE DOES:**

Senate Bill 1090 requires the State Chief Information Officer to create a policy and procedure that state agencies must follow in requesting funding for information technology operations and projects each biennium. The State Chief Information Officer, along with the Legislative Fiscal Office, will set criteria to prioritize these requests. The office of Enterprise Information Services will evaluate and rank the requests based on these criteria and submit recommendations to the State Chief Information Officer for review and approval. The State Chief Information Officer will then report the prioritized rankings and other specified information to the Governor and the Joint Legislative Committee on Information Management and Technology by specific dates during each biennium.

Detailed Summary:

- Provides a definition of "information technology," and "state agency," which makes clear that the measure applies to state agencies, boards, and commissions within the executive department, except the Secretary of State, State Treasurer, Oregon State Lottery, and Public Universities listed in ORS 352.002.
- Requires the State Chief Information Officer to adopt a policy and procedure that state agencies must follow in requesting funding for information technology budgets and projects, including replacements, modernizations, upgrades, and expansions of information technology systems.
- Directs the State Chief Information Officer, in collaboration with the Legislative Fiscal Office, to establish criteria for assigning priorities to those requests and requires the office of Enterprise Information Services to utilize that prioritization criteria to evaluate the information technology budget and project requests state agencies submit for review within the context of all of each state agency's requests, the requests for all state agencies in a program area, and the requests that state agencies within the executive department submit as a whole. Specific factors that must be considered as part of that evaluation include whether the proposed request:
 - Is consistent with and supports implementation of the Enterprise Information Resources Management Strategy described in ORS 276A.203 (4)(a)(M);
 - Involves or promotes the use of shared systems, resources or data;
 - Uses commercially available systems or software;
 - Enhances the information security posture of the agency or the state; and
 - Reduces system redundancies within an agency, a program area or the state.
- Requires the State Chief Information Officer to submit a report to the Governor and the Joint Legislative Committee on Information Management and Technology no later than November 30 of the even-numbered year in each biennium. The report must include:
 - The prioritized rankings of information technology budget and project requests;
 - A list of information technology services the State Chief Information Officer recommends for design, delivery and management as enterprise or shared information technology services as required by ORS

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276A.203 (4)(a)(L); and

- A description of critical information technology system or service needs not otherwise identified within the priority rankings of state agency budget and project requests.
- After the Legislative Assembly's adoption of the budget for the state, the measure directs the State Chief Information Officer, in collaboration with the Legislative Fiscal Office, to submit to the Governor and the Joint Legislative Committee on Information Management and Technology a report that lists all of the information technology budget and project requests the Legislative Assembly approved. The report must be submitted no later than October 31st of each odd-numbered year in each biennium.

Effective Date:

- Declares an emergency and is effective on passage.

ISSUES DISCUSSED:

- Description of the measure and rationale for the amendment.
- The Stage Gate Review process and the data elements required within agency IT project status reports.
- Aging IT infrastructure and systems in use by Oregon State Government and the need to replace or modernize those systems on an accelerated timeframe.
- Support for prioritization of funding for improvements in cybersecurity.
- Existing Oregon State Productivity Improvement Program and Revolving Fund that was established in the late 1980s.
- Potential use of grants or loans for innovation, for the exploration and implementation of emerging technologies, including the use of artificial intelligence, in Oregon State Government.
- Opportunities made possible through the establishment of an Oregon technology modernization fund - improved service delivery, enhanced cybersecurity, and enabling the migration to cloud computing and the responsible use of Artificial Intelligence.
- Siloed nature of the current biennial budget development process. Lack of visibility on critical needs for information technology system replacement or modernization in the absence of a statewide prioritization process for information technology budget and project requests.
- Agency IT funding requests are reviewed by different legislative committees independently and without considering them in the context of needs across all agencies. In the context of Oregon's decentralized IT environment, no legislative committee receives the full picture of IT modernization needs and the legislature funds projects on an ad hoc, siloed basis.
- Current biennial budget development process and past efforts to prioritize agency IT project requests. Prioritization does not occur across agencies in each program area or at the statewide level, and the agency-centric prioritization lists aren't used for legislative budgeting purposes.
- IT Investment Boards and Technology Modernization or Innovation funds that exist in other states.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

As part of the 2019 - 21 Biennial Budget Development process, state agencies within the executive branch were required for the first time to complete a Project Prioritization Matrix for every major information technology (IT) project/initiative anticipated to exceed \$1 million. The prioritization matrix was intended to provide a means for ranking IT projects (or project ideas/requests) based on criteria determined to be important to the enterprise. To govern the process, a multi-agency Enterprise IT Governance Committee (EITGC) was established to, among other purposes, review and provide prioritization recommendations to the State Chief Information Officer and the Department of Administrative Services, Chief Financial Office as input to the development and finalization of the Governor's Budget submission to the Legislature. This requirement was included within the biennial budget instructions for 2019-21, 2021-23, 2023-25, and 2025-27. Importantly, the prioritization process has been focused solely on major IT projects/initiatives and has not, to date, included a prioritization of agency IT budget requests for other purposes.

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During the Agency Request Budget development process for the 2025-27 biennium, agencies completed and submitted IT Project Prioritization Matrices to the office of Enterprise Information Services as required. However, the multi-agency Enterprise IT Governance Committee (EITGC) did not meet to review and provide prioritization recommendations for IT project requests within each state agency, or to identify which IT projects were candidates for shared or utility services, eliminating duplicate efforts across the executive branch. Consequently, the Legislature did not have those recommendations available for use during the Legislature's budget development and adoption process.