

1 A bill to be entitled
 2 An act relating to the state data center system;
 3 amending s. 282.201, F.S.; revising duties of the
 4 Agency for Enterprise Information Technology and state
 5 agencies relating to consolidation of agency data
 6 centers into a primary data center; removing a
 7 requirement for publishing notice of rule development;
 8 removing a requirement that agencies submit certain
 9 information to the Agency for Enterprise Information
 10 Technology; revising the schedule of consolidations;
 11 providing a timeframe for specified agency facilities
 12 to be consolidated; providing exemptions for specified
 13 agencies and facilities; requiring an agency and
 14 primary data center to submit a report to the
 15 Executive Office of the Governor and the chairs of the
 16 legislative appropriations committees if they are
 17 unable to execute a service-level agreement within a
 18 certain time period; requiring agencies to submit a
 19 transition plan to the appropriate primary data center
 20 by a certain date; providing for content of the plan;
 21 requiring the primary data centers to develop and
 22 submit transition plans to the Agency for Enterprise
 23 Information Technology, the Executive Office of the
 24 Governor, and the chairs of the legislative
 25 appropriations committees by a certain date; providing
 26 for content of the plans; requiring an agency that is
 27 consolidating facilities into a primary data center to
 28 submit certain information concerning adjustments of

29 resources with its legislative budget request;
 30 removing a requirement that the Agency for Enterprise
 31 Information Technology develop comprehensive
 32 transition plans; revising restrictions on agencies
 33 relating to technology facilities and services;
 34 amending s. 282.203, F.S.; revising duties of primary
 35 data centers and boards of trustees of such centers;
 36 requiring the centers to provide agencies with
 37 projected costs for inclusion in the agencies' budget
 38 requests; requiring boards to provide a plan for
 39 consideration by the Legislative Budget Commission
 40 under certain conditions; providing that certain
 41 administrative overhead costs require a specific
 42 appropriation in the General Appropriation Act;
 43 amending s. 1004.649, F.S.; revising responsibilities
 44 of the Northwest Regional Data Center; revising the
 45 date by which the center must provide agencies with
 46 projected costs; requiring the center to submit a plan
 47 to the Legislative Budget Commission when a billing
 48 rate schedule is revised after the beginning of the
 49 fiscal year and increases an agency's costs; providing
 50 an effective date.

51
 52 Be It Enacted by the Legislature of the State of Florida:

53
 54 Section 1. Subsection (1), paragraphs (d) and (e) of
 55 subsection (2), subsections (3) and (4), and paragraph (a) of

56 subsection (5) of section 282.201, Florida Statutes, are amended
 57 to read:

58 282.201 State data center system; agency duties and
 59 limitations.—A state data center system that includes all
 60 primary data centers, other nonprimary data centers, and
 61 computing facilities, and that provides an enterprise
 62 information technology service as defined in s. 282.0041, is
 63 established.

64 (1) INTENT.—The Legislature finds that the most efficient
 65 and effective means of providing quality utility data processing
 66 services to state agencies requires that computing resources be
 67 concentrated in quality facilities that provide the proper
 68 security, infrastructure, and staff resources to ensure that the
 69 state's data is maintained reliably and safely, and is
 70 recoverable in the event of a disaster. Efficiencies resulting
 71 from such consolidation include the increased ability to
 72 leverage technological expertise and hardware and software
 73 capabilities; increased savings through consolidated purchasing
 74 decisions; and the enhanced ability to deploy technology
 75 improvements and implement new policies consistently throughout
 76 the consolidated organization. Unless otherwise exempt by law,
 77 ~~Therefore~~ it is the intent of the Legislature that all agency
 78 data centers and computing facilities be consolidated into a
 79 primary data center ~~centers to the maximum extent possible~~ by
 80 2019.

81 (2) AGENCY FOR ENTERPRISE INFORMATION TECHNOLOGY DUTIES.—

82 The Agency for Enterprise Information Technology shall:

83 (d) By October 1 of each year ~~beginning in 2011~~, provide

84 recommendations to the Governor and Legislature relating to
 85 changes to the schedule for the consolidations of state agency
 86 data centers as provided in subsection (4).

87 1. The recommendations must be based on the goal of
 88 maximizing current and future cost savings by:

89 a. Consolidating purchase decisions.†

90 b. Leveraging expertise and other resources to gain
 91 economies of scale.†

92 c. Implementing state information technology policies more
 93 effectively.† ~~and~~

94 d. Maintaining or improving the level of service provision
 95 to customer entities.

96 2. The agency shall establish workgroups as necessary to
 97 ensure participation by affected agencies in the development of
 98 recommendations related to consolidations.

99 (e) Develop and establish rules relating to the operation
 100 of the state data center system which comply with applicable
 101 federal regulations, including 2 C.F.R. part 225 and 45 C.F.R.
 102 ~~The agency shall publish notice of rule development in the~~
 103 ~~Florida Administrative Weekly by October 1, 2011.~~ The rules must
 104 address:

105 1. Ensuring that financial information is captured and
 106 reported consistently and accurately.

107 2. Identifying standards for hardware, including standards
 108 for a shared, virtualized server environment, and operations
 109 system software and other operational software, including
 110 security and network infrastructure, for the primary data
 111 centers; requiring compliance with such standards in order to

112 enable the efficient consolidation of the agency data centers or
 113 computing facilities; and providing an exemption process from
 114 compliance with such standards, which must be consistent with
 115 paragraph (5) (b).

116 3. Requiring annual full cost recovery on an equitable
 117 rational basis. The cost-recovery methodology must ensure that
 118 no service is subsidizing another service and may include
 119 adjusting the subsequent year's rates as a means to recover
 120 deficits or refund surpluses from a prior year.

121 4. Requiring that any special assessment imposed to fund
 122 expansion is based on a methodology that apportions the
 123 assessment according to the proportional benefit to each
 124 customer entity.

125 5. Requiring that rebates be given when revenues have
 126 exceeded costs, that rebates be applied to offset charges to
 127 those customer entities that have subsidized the costs of other
 128 customer entities, and that such rebates may be in the form of
 129 credits against future billings.

130 6. Requiring that all service-level agreements have a
 131 contract term of up to 3 years, but may include an option to
 132 renew for up to 3 additional years contingent on approval by the
 133 board, and require at least a 180-day notice of termination.

134 (3) STATE AGENCY DUTIES.—

135 (a) For the purpose of completing the ~~its~~ work activities
 136 ~~as~~ described in subsections ~~subsection~~ (1) and (2), each state
 137 agency shall provide to the Agency for Enterprise Information
 138 Technology all requested information relating to its data
 139 centers and computing facilities and any other information

140 relevant to the agency's ability to effectively transition its
 141 computer services into a primary data center. The agency shall
 142 also participate as required in workgroups relating to specific
 143 consolidation planning and implementation tasks as assigned by
 144 the Agency for Enterprise Information Technology and determined
 145 necessary to accomplish consolidation goals.

146 ~~(b) Each state agency shall submit to the Agency for~~
 147 ~~Enterprise Information Technology information relating to its~~
 148 ~~data centers and computing facilities as required in~~
 149 ~~instructions issued by July 1 of each year by the Agency for~~
 150 ~~Enterprise Information Technology. The information required may~~
 151 ~~include:~~

- 152 ~~1. Amount of floor space used and available.~~
- 153 ~~2. Numbers and capacities of mainframes and servers.~~
- 154 ~~3. Storage and network capacity.~~
- 155 ~~4. Amount of power used and the available capacity.~~
- 156 ~~5. Estimated expenditures by service area, including~~
 157 ~~hardware and software, numbers of full-time equivalent~~
 158 ~~positions, personnel turnover, and position reclassifications.~~
- 159 ~~6. A list of contracts in effect for the fiscal year,~~
 160 ~~including, but not limited to, contracts for hardware, software~~
 161 ~~and maintenance, including the expiration date, the contract~~
 162 ~~parties, and the cost of the contract.~~
- 163 ~~7. Service-level agreements by customer entity.~~

164 (b)(e) Each state agency customer of a primary data center
 165 shall notify the data center, by May 31 and November 30 of each
 166 year, of any significant changes in anticipated utilization of
 167 data center services pursuant to requirements established by the

168 boards of trustees of each primary data center.

169 (4) SCHEDULE FOR CONSOLIDATIONS OF AGENCY DATA CENTERS.—

170 (a) Consolidations of agency data centers shall be made by
 171 the date and to the specified primary data center as provided in
 172 this section and in accordance with budget adjustments contained
 173 in the General Appropriations Act.

174 (b) By December 31, 2011, the following shall be
 175 consolidated into the Northwest Regional Data Center:

176 1. The Department of Education's Knott Data Center in the
 177 Turlington Building.

178 2. The Department of Education's Division of Vocational
 179 Rehabilitation.

180 3. The Department of Education's Division of Blind
 181 Services, except for the division's disaster recovery site in
 182 Daytona Beach.

183 4. The FCAT Explorer.

184 5. FACTS.org.

185 (c) During the 2011-2012 fiscal year, the following shall
 186 be consolidated into the Southwood Shared Resource Center:

187 1. By September 30, 2011, the Department of Corrections.

188 2. By March 31, 2012, the Department of Transportation's
 189 Burns Building.

190 3. By March 31, 2012, the Department of Transportation's
 191 Survey & Mapping Office.

192 (d) During the 2011-2012 fiscal year, the following shall
 193 be consolidated into the Northwood Shared Resource Center:

194 1. By July 1, 2011, the Department of Transportation's
 195 Office of Motor Carrier Compliance.

196 2. By March 31, 2012, the Department of Highway Safety and
 197 Motor Vehicles.

198 (e) By September 30, 2012, the Department of Revenue's
 199 Carlton Building and Imaging Center locations shall be
 200 consolidated into the Northwest Regional Data Center. ~~During the~~
 201 ~~2012-2013 fiscal year, the following shall be consolidated into~~
 202 ~~the Southwood Shared Resource Center:~~

203 1. ~~By September 30, 2012, the Division of Emergency~~
 204 ~~Management and the Department of Community Affairs, except for~~
 205 ~~the Emergency Operation Center's management system in~~
 206 ~~Tallahassee and the Camp Blanding Emergency Operations Center in~~
 207 ~~Starke.~~

208 2. ~~By September 30, 2012, the Department of Revenue's~~
 209 ~~Carlton Building and Imaging Center locations.~~

210 3. ~~By December 31, 2012, the Department of Health's Test~~
 211 ~~and Development Lab and all remaining data center resources~~
 212 ~~located at the Capital Circle Office Complex.~~

213 (f) During the 2012-2013 fiscal year, the following shall
 214 be consolidated into the Northwood Shared Resource Center:

215 1. By July 1, 2012, the Agency for Health Care
 216 Administration.

217 2. By December 31, 2012, the Department of Environmental
 218 Protection's Palmetto Commons.

219 3. By December 31, 2012, the Department of Health's Test
 220 and Development Lab and all remaining data center resources
 221 located at the Capital Circle Office Complex ~~March 30, 2013, the~~
 222 ~~Department of Law Enforcement's headquarters location.~~

223 (g) During the 2013-2014 fiscal year, the following

224 ~~agencies shall be consolidated into the Southwood Shared~~
 225 ~~Resource Center work with the Agency for Enterprise Information~~
 226 ~~Technology to begin preliminary planning for consolidation into~~
 227 ~~a primary data center:~~

228 ~~1. The Department of the Lottery's headquarters location.~~

229 ~~2. The Department of Legal Affairs.~~

230 ~~1.3.~~ By July 1, 2013, the Fish and Wildlife Conservation
 231 Commission, except for the commission's Fish and Wildlife
 232 Research Institute in St. Petersburg.

233 2. By October 31, 2013, the Department of Economic
 234 Opportunity.

235 ~~3.4.~~ By December 31, 2013, the Executive Office of the
 236 Governor, to include the Division of Emergency Management except
 237 for the Emergency Operation Center's management system in
 238 Tallahassee and the Camp Blanding Emergency Operations Center in
 239 Starke.

240 ~~5. The Department of Veterans' Affairs.~~

241 ~~4.6.~~ By March 31, 2014, the Department of Elderly Affairs.

242 ~~7. The Department of Financial Services' Hartman, Larson,~~
 243 ~~and Fletcher Building Data Centers.~~

244 ~~8. The Department of Agriculture and Consumer Services'~~
 245 ~~Agriculture Management Information Center in the Mayo Building~~
 246 ~~and Division of Licensing.~~

247 (h) During the 2013-2014 fiscal year, the following shall
 248 be consolidated into the Northwood Shared Resource Center:

249 1. By July 1, 2013, the Department of Veterans' Affairs.

250 2. By December 31, 2013, the Department of Legal Affairs.

251 3. By March 31, 2014, the Department of Agriculture and

252 Consumer Services' Agriculture Management Information Center in
 253 the Mayo Building and the Division of Licensing.

254 (i)~~(h)~~ During the 2014-2015 fiscal year, the following
 255 agencies shall work with the Agency for Enterprise Information
 256 Technology to begin preliminary planning for consolidation into
 257 a primary data center:

- 258 1. The Department of Health's Jacksonville Lab Data
 259 Center.
- 260 2. The Department of Transportation's district offices,
 261 toll offices, and the District Materials Office.
- 262 3. The Department of Military Affairs' Camp Blanding Joint
 263 Training Center in Starke.
- 264 4. The Department of Community Affairs' Camp Blanding
 265 Emergency Operations Center in Starke.
- 266 5. The Department of Education's Division of Blind
 267 Services disaster recovery site in Daytona Beach.
- 268 6. The Department of Education's disaster recovery site at
 269 Santa Fe College.
- 270 7. The Department of the Lottery's Disaster Recovery
 271 Backup Data Center in Orlando.
- 272 8. The Fish and Wildlife Conservation Commission's Fish
 273 and Wildlife Research Institute in St. Petersburg.
- 274 9. The Department of Children and Family Services'
 275 Suncoast Data Center in Tampa.
- 276 10. The Department of Children and Family Services'
 277 Florida State Hospital in Chattahoochee.

278 (j)~~(i)~~ During the 2015-2016 fiscal year, all computing
 279 resources remaining within an agency ~~nonprimary~~ data center or

280 | computing facility, to include the Department of Financial
 281 | Services' Hartman, Larson, and Fletcher Buildings data centers,
 282 | shall be transferred to a primary data center for consolidation
 283 | unless otherwise required to remain in the agency for specified
 284 | financial, technical, or business reasons that must be justified
 285 | in writing and approved by the Agency for Enterprise Information
 286 | Technology. Such data centers, computing facilities, and
 287 | resources must be identified by the Agency for Enterprise
 288 | Information Technology by October 1, 2014.

289 | (k) The Department of Law Enforcement, the Department of
 290 | the Lottery's Gaming System, Systems Design and Development in
 291 | the Office of Policy and Budget, and the State Board of
 292 | Administration are exempt from data center consolidation under
 293 | this section.

294 | (l)~~(j)~~ Any agency that is consolidating agency data
 295 | centers into a primary data center must execute a new or update
 296 | an existing service-level agreement within 60 days after the
 297 | specified consolidation date, as required by s. 282.203, in
 298 | order to specify the services and levels of service it is to
 299 | receive from the primary data center as a result of the
 300 | consolidation. If an agency and primary data center are ~~is~~
 301 | unable to execute a service-level agreement by that date, the
 302 | agency and the primary data center shall submit a report to the
 303 | Executive Office of the Governor and to the chairs of the
 304 | legislative appropriations committees within 5 working days
 305 | after that date which explains the specific issues preventing
 306 | execution and describing the ~~its~~ plan and schedule for resolving
 307 | those issues.

308 (m) ~~(k)~~ Beginning September 1, 2011, and every 6 months
 309 thereafter until data center consolidations are complete, the
 310 Agency for Enterprise Information Technology shall provide a
 311 status report on the implementation of the consolidations that
 312 must be completed during the fiscal year. The report shall be
 313 submitted to the Executive Office of the Governor and the chairs
 314 of the legislative appropriations committees. The report must,
 315 at a minimum, describe:

316 1. Whether the consolidation is on schedule, including
 317 progress on achieving the milestones necessary for successful
 318 and timely consolidation of scheduled agency data centers and
 319 computing facilities. ~~;~~ ~~and~~

320 2. The risks that may affect the progress or outcome of
 321 the consolidation and how these risks are being addressed,
 322 mitigated, or managed.

323 (n) ~~(l)~~ Each agency identified in this subsection for
 324 consolidation into a primary data center shall submit a
 325 transition plan to the appropriate primary data center ~~Agency~~
 326 ~~for Enterprise Information Technology~~ by July ~~September~~ 1 of the
 327 fiscal year before the fiscal year in which the scheduled
 328 consolidation will occur. Transition plans shall be developed in
 329 consultation with the appropriate primary data centers and the
 330 Agency for Enterprise Information Technology, and must include:

331 1. An inventory of the agency data center's resources
 332 being consolidated, including all hardware and its associated
 333 life cycle replacement schedule, software, staff, ~~and~~ contracted
 334 services, and ~~the~~ facility resources performing data center
 335 management and operations, security, backup and recovery,

336 disaster recovery, system administration, database
337 administration, system programming, job control, production
338 control, print, storage, technical support, help desk, and
339 managed services, but excluding application development, and the
340 agency's costs supporting these resources.

341 2. A list of contracts in effect, including, but not
342 limited to, contracts for hardware, software, and maintenance,
343 which identifies the expiration date, the contract parties, and
344 the cost of each contract.

345 3.2. A detailed description of the level of services
346 needed to meet the technical and operational requirements of the
347 platforms being consolidated, and an estimate of the primary
348 data center's cost for the provision of such services.

349 4.3. A description of resources for computing services
350 proposed to remain in the department.

351 5.4. A timetable with significant milestones for the
352 completion of the consolidation.

353 ~~5. The specific recurring and nonrecurring budget~~
354 ~~adjustments of budget resources by appropriation category into~~
355 ~~the appropriate data processing category pursuant to the~~
356 ~~legislative budget instructions in s. 216.023 necessary to~~
357 ~~support agency costs for the transfer.~~

358 (o)-(m) Each primary data center shall develop a transition
359 plan for absorbing the transfer of agency data center resources
360 based upon the timetables for transition as provided in this
361 subsection. The plan shall be submitted to the Agency for
362 Enterprise Information Technology, the Executive Office of the
363 Governor, and the chairs of the legislative appropriations

364 committees by September 1 ~~30~~ of the fiscal year before the
 365 fiscal year in which the scheduled consolidations will occur.

366 Each plan must include:

367 1. ~~An estimate of~~ The projected cost to provide data
 368 center services for each agency scheduled for consolidation. ~~†~~

369 2. A staffing plan that identifies the projected staffing
 370 needs and requirements based on the estimated workload
 371 identified in the agency transition plan. ~~†~~

372 3. The fiscal year adjustments to budget categories in
 373 order to absorb the transfer of agency data center resources
 374 pursuant to the legislative budget request instructions provided
 375 in s. 216.023. ~~†~~

376 4. An analysis of the cost effects resulting from the
 377 planned consolidations on existing agency customers. ~~† and~~

378 5. A description of any issues that must be resolved in
 379 order to accomplish as efficiently and effectively as possible
 380 all consolidations required during the fiscal year.

381 (p) Each agency identified in this subsection for
 382 consolidation into a primary data center shall submit with its
 383 respective legislative budget request the specific recurring and
 384 nonrecurring budget adjustments of resources by appropriation
 385 category into the appropriate data processing category pursuant
 386 to the legislative budget request instructions in s. 216.023.

387 ~~(n) The Agency for Enterprise Information Technology shall~~
 388 ~~develop a comprehensive transition plan, which shall be~~
 389 ~~submitted by October 15th of the fiscal year before the fiscal~~
 390 ~~year in which the scheduled consolidations will occur to each~~
 391 ~~primary data center, to the Executive Office of the Governor,~~

392 ~~and the chairs of the legislative appropriations committees. The~~
 393 ~~transition plan shall be developed in consultation with agencies~~
 394 ~~submitting agency transition plans and with the affected primary~~
 395 ~~data centers. The comprehensive transition plan must include:~~

396 ~~1. Recommendations for accomplishing the proposed~~
 397 ~~transitions as efficiently and effectively as possible with~~
 398 ~~minimal disruption to customer agency business processes;~~

399 ~~2. Strategies to minimize risks associated with any of the~~
 400 ~~proposed consolidations;~~

401 ~~3. A compilation of the agency transition plans submitted~~
 402 ~~by agencies scheduled for consolidation for the following fiscal~~
 403 ~~year; and~~

404 ~~4. Revisions to any budget adjustments provided in the~~
 405 ~~agency or primary data center transition plans.~~

406 ~~(e) Any agency data center scheduled for consolidation~~
 407 ~~after the 2011-2012 fiscal year may consolidate into a primary~~
 408 ~~data center before its scheduled date contingent upon the~~
 409 ~~approval of the Agency for Enterprise Information Technology.~~

410 (5) AGENCY LIMITATIONS.—

411 (a) Unless authorized by the Legislature or as provided in
 412 paragraphs (b) and (c), a state agency may not:

413 1. Create a new computing facility or data center, or
 414 expand the capability to support additional computer equipment
 415 in an existing computing facility or nonprimary data center;

416 2. Spend funds before the agency's scheduled consolidation
 417 into a primary data center to purchase or modify hardware or
 418 operations software that does not comply with hardware and
 419 software standards established by the Agency for Enterprise

420 Information Technology pursuant to paragraph (2) (e) for the
 421 efficient consolidation of the agency data centers or computing
 422 facilities;

423 3. Transfer existing computer services to any data center
 424 other than a primary data center;

425 4. Terminate services with a primary data center or
 426 transfer services between primary data centers without giving
 427 written notice of intent to terminate or transfer services 180
 428 days before such termination or transfer; or

429 5. Initiate a new computer service ~~if it does not~~
 430 ~~currently have an internal data center~~ except with a primary
 431 data center.

432 Section 2. Subsection (1) and paragraphs (e) and (1) of
 433 subsection (3) of section 282.203, Florida Statutes, are amended
 434 to read:

435 282.203 Primary data centers.—

436 (1) DATA CENTER DUTIES.—Each primary data center shall:

437 (a) Serve customer entities as an information-system
 438 utility.

439 (b) Cooperate with customer entities to offer, develop,
 440 and support the services and applications as defined and
 441 provided by the center's board of trustees and customer
 442 entities.

443 (c) Comply with rules adopted by the Agency for Enterprise
 444 Information Technology, pursuant to this section, and coordinate
 445 with the agency in the consolidation of data centers.

446 (d) Provide to each agency head by September 1 of the
 447 fiscal year before the fiscal year in which the agency's

448 consolidation is scheduled to occur the projected costs to
 449 provide data center services. Each agency head shall use the
 450 projected cost for inclusion in his or her respective
 451 legislative budget request for budget adjustments necessary to
 452 fund the agency's data center services.

453 (e)-(d) Provide transparent financial statements in a
 454 format approved by the center's board of trustees to customer
 455 entities, ~~the center's board of trustees,~~ and the Agency for
 456 Enterprise Information Technology. The financial statements
 457 shall be provided as follows:

458 1. Annually, by July 30 for the current fiscal year and by
 459 December 1 for the subsequent fiscal year, the data center must
 460 provide the total annual budgeted costs by major expenditure
 461 category, including, but not limited to, salaries, expense,
 462 operating capital outlay, contracted services, or other
 463 personnel services, which directly relate to the provision of
 464 each service and which separately indicate the administrative
 465 overhead allocated to each service.

466 2. Annually, by July 30 for the current fiscal year and by
 467 December 1 for the subsequent fiscal year, the data center must
 468 provide total projected billings for each customer entity which
 469 are required to recover the costs of the data center.

470 3. Annually, by January 31, the data center must provide
 471 updates of the financial statements required under subparagraphs
 472 1. and 2. for the current fiscal year.

473 ~~4. By February 15, for proposed legislative budget~~
 474 ~~increases, the data center must provide updates of the financial~~
 475 ~~statements required under subparagraphs 1. and 2. for the~~

476 ~~subsequent fiscal year.~~

477
 478 The financial information required under subparagraphs 1., 2.,
 479 and 3. must be based on current law and current appropriations.

480 (f)~~(e)~~ Annually, by October 1, submit to the board of
 481 trustees cost-reduction proposals, including strategies and
 482 timetables for lowering customer entities' costs without
 483 reducing the level of services.

484 (g)~~(f)~~ Maintain the performance of the facility, which
 485 includes ensuring proper data backup, data backup recovery, an
 486 effective disaster recovery plan, and appropriate security,
 487 power, cooling and fire suppression, and capacity.

488 (h)~~(g)~~ Develop a business continuity plan and conduct a
 489 live exercise of the plan at least annually. The plan must be
 490 approved by the board and the Agency for Enterprise Information
 491 Technology.

492 (i)~~(h)~~ Enter into a service-level agreement with each
 493 customer entity to provide services as defined and approved by
 494 the board. A service-level agreement may not have a term
 495 exceeding 3 years but may include an option to renew for up to 3
 496 years contingent on approval by the board.

- 497 1. A service-level agreement, at a minimum, must:
- 498 a. Identify the parties and their roles, duties, and
 - 499 responsibilities under the agreement.†
 - 500 b. Identify the legal authority under which the service-
 - 501 level agreement was negotiated and entered into by the parties.†
 - 502 c. State the duration of the contractual term and specify
 - 503 the conditions for contract renewal.†

504 d. Prohibit the transfer of computing services between
 505 primary data center facilities without at least 180 days' notice
 506 of service cancellation.†

507 e. Identify the scope of work.†

508 f. Identify the products or services to be delivered with
 509 sufficient specificity to permit an external financial or
 510 performance audit.†

511 g. Establish the services to be provided, the business
 512 standards that must be met for each service, the cost of each
 513 service, and the process by which the business standards for
 514 each service are to be objectively measured and reported.†

515 h. Identify applicable funds and funding streams for the
 516 services or products under contract.†

517 i. Provide a timely billing methodology for recovering the
 518 cost of services provided to the customer entity.†

519 j. Provide a procedure for modifying the service-level
 520 agreement to address changes in projected costs of service.†

521 k. Provide that a service-level agreement may be
 522 terminated by either party for cause only after giving the other
 523 party and the Agency for Enterprise Information Technology
 524 notice in writing of the cause for termination and an
 525 opportunity for the other party to resolve the identified cause
 526 within a reasonable period.†~~and~~

527 1. Provide for mediation of disputes by the Division of
 528 Administrative Hearings pursuant to s. 120.573.

529 2. A service-level agreement may include:

530 a. A dispute resolution mechanism, including alternatives
 531 to administrative or judicial proceedings;

532 b. The setting of a surety or performance bond for
 533 service-level agreements entered into with agency primary data
 534 centers established by law; or

535 c. Additional terms and conditions as determined advisable
 536 by the parties if such additional terms and conditions do not
 537 conflict with the requirements of this section or rules adopted
 538 by the Agency for Enterprise Information Technology.

539 3. The failure to execute a service-level agreement within
 540 60 days after service commencement shall, in the case of an
 541 existing customer entity, result in a continuation of the terms
 542 of the service-level agreement from the prior fiscal year,
 543 including any amendments that were formally proposed to the
 544 customer entity by the primary data center within the 3 months
 545 before service commencement, and a revised cost-of-service
 546 estimate. If a new customer entity fails to execute an agreement
 547 within 60 days after service commencement, the data center may
 548 cease services.

549 (j)~~(i)~~ Plan, design, establish pilot projects for, and
 550 conduct experiments with information technology resources, and
 551 implement enhancements in services if such implementation is
 552 cost-effective and approved by the board.

553 (k)~~(j)~~ Enter into a memorandum of understanding with the
 554 agency where the data center is administratively located if the
 555 data center requires the agency to provide any administrative
 556 services to the data center and the cost of such services. Any
 557 administrative overhead costs charged shall require a specific
 558 appropriation in the General Appropriation Act.

559 (l)~~(k)~~ Be the custodian of resources and equipment that

560 are located, operated, supported, and managed by the center for
 561 the purposes of chapter 273.

562 (m)~~(l)~~ Assume administrative access rights to the
 563 resources and equipment, such as servers, network components,
 564 and other devices that are consolidated into the primary data
 565 center.

566 1. Upon the date of each consolidation specified in s.
 567 282.201, the General Appropriations Act, or the Laws of Florida,
 568 each agency shall relinquish all administrative access rights to
 569 such resources and equipment.

570 2. Each primary data center shall provide its customer
 571 agencies with the appropriate level of access to applications,
 572 servers, network components, and other devices necessary for
 573 agencies to perform their core business activities and
 574 functions.

575 (3) BOARD DUTIES.—Each board of trustees of a primary data
 576 center shall:

577 (e) Ensure the sufficiency and transparency of the primary
 578 data center financial information by:

579 1. Establishing policies that ensure that cost-recovery
 580 methodologies, billings, receivables, expenditure, budgeting,
 581 and accounting data are captured and reported timely,
 582 consistently, accurately, and transparently and, upon adoption
 583 of rules by the Agency for Enterprise Information Technology,
 584 are in compliance with such rules.

585 2. Requiring execution of service-level agreements by the
 586 data center and each customer entity for services provided by
 587 the data center to the customer entity.

588 3. Requiring cost recovery for the full cost of services,
 589 including direct and indirect costs. The cost-recovery
 590 methodology must ensure that no service is subsidizing another
 591 service without an affirmative vote of approval by the customer
 592 entity providing the subsidy.

593 4. Establishing special assessments to fund expansions
 594 based on a methodology that apportions the assessment according
 595 to the proportional benefit to each customer entity.

596 5. Providing rebates to customer entities when revenues
 597 exceed costs and offsetting charges to those who have subsidized
 598 other customer entity costs based on actual prior year final
 599 expenditures. Rebates may be credited against future billings.

600 6. Approving all expenditures committing over \$50,000 in a
 601 fiscal year.

602 7. Projecting costs and revenues at the beginning of the
 603 third quarter of each fiscal year through the end of the fiscal
 604 year. If in any given fiscal year the primary data center is
 605 projected to earn revenues that are below costs for that fiscal
 606 year after first reducing operating costs where possible, the
 607 board shall implement any combination of the following remedies
 608 to cover the shortfall:

609 a. The board may direct the primary data center to adjust
 610 current year chargeback rates through the end of the fiscal year
 611 to cover the shortfall. The rate adjustments shall be
 612 implemented using actual usage rate and billing data from the
 613 first three quarters of the fiscal year and the same principles
 614 used to set rates for the fiscal year.

615 b. The board may direct the primary data center to levy

616 one-time charges on all customer entities to cover the
 617 shortfall. The one-time charges shall be implemented using
 618 actual usage rate and billing data from the first three quarters
 619 of the fiscal year and the same principles used to set rates for
 620 the fiscal year.

621 c. The customer entities represented by each board member
 622 may provide payments to cover the shortfall in proportion to the
 623 amounts each entity paid in the prior fiscal year.

624 8. Providing a plan for consideration by the Legislative
 625 Budget Commission if the board approves the use of a billing
 626 rate schedule after the start of the fiscal year that increases
 627 any agency's costs for that fiscal year.

628 (1) Contract with other primary data centers for the
 629 provision of administrative services or with the agency within
 630 which the primary data center is housed, whichever is most cost-
 631 effective. Any administrative overhead costs requires a specific
 632 appropriation in the General Appropriations Act.

633 Section 3. Subsection (1) of section 1004.649, Florida
 634 Statutes, is amended to read:

635 1004.649 Northwest Regional Data Center.—

636 (1) For the purpose of serving its state agency customers,
 637 the Northwest Regional Data Center at Florida State University
 638 is designated as a primary data center and shall ~~comply with the~~
 639 ~~following:~~

640 (a) Operate ~~Operates~~ under a governance structure that
 641 represents its customers proportionally.

642 (b) Maintain ~~Maintains~~ an appropriate cost-allocation
 643 methodology that accurately bills state agency customers based

644 solely on the actual direct and indirect costs of the services
 645 provided to state agency customers, and prohibits the
 646 subsidization of nonstate agency customers' costs by state
 647 agency customers.

648 (c) Enter ~~Enters~~ into a service-level agreement with each
 649 state agency customer to provide services as defined and
 650 approved by the governing board of the center. At a minimum,
 651 such service-level agreements must:

- 652 1. Identify the parties and their roles, duties, and
 653 responsibilities under the agreement;
- 654 2. State the duration of the agreement term and specify
 655 the conditions for renewal;
- 656 3. Identify the scope of work;
- 657 4. Establish the services to be provided, the business
 658 standards that must be met for each service, the cost of each
 659 service, and the process by which the business standards for
 660 each service are to be objectively measured and reported;
- 661 5. Provide a timely billing methodology for recovering the
 662 cost of services provided; and
- 663 6. Provide a procedure for modifying the service-level
 664 agreement to address any changes in projected costs of service.

665 (d) Provide ~~Provides~~ to the Board of Governors the total
 666 annual budget by major expenditure category, including, but not
 667 limited to, salaries, expenses, operating capital outlay,
 668 contracted services, or other personnel services by July 30 each
 669 fiscal year.

670 (e) Provide ~~Provides~~ to each state agency customer its
 671 projected annual cost for providing the agreed-upon data center

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672 services by September ~~August~~ 1 each fiscal year.

673 (f) Provide a plan for consideration by the Legislative
674 Budget Commission if the governing body of the center approves
675 the use of a billing rate schedule after the start of the fiscal
676 year that increases any state agency customer's costs for that
677 fiscal year.

678 Section 4. This act shall take effect July 1, 2012.