

**SENATE BILL NO. 201**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTY-THIRD LEGISLATURE - SECOND SESSION

**BY SENATOR KAUFMAN**

**Introduced: 1/24/24**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the office of information technology; relating to information**  
2 **technology projects undertaken by state agencies; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 44.21 is amended by adding new sections to read:

5 **Article 7. Office of Information Technology.**

6 **Sec. 44.21.600. Office of information technology and chief information**  
7 **officer.** The office of information technology is created in the Department of  
8 Administration. The director of the office is the chief information officer of the state.

9 **Sec. 44.21.610. Duties of office and director.** (a) The office shall

10 (1) adopt, fully document, and implement a standardized process for  
11 managing information technology projects;

12 (2) manage information technology projects using a standardized, fully  
13 documented process established and overseen by the director as described in  
14 AS 44.21.630;

1 (3) ensure that major information technology projects are completed  
2 on time and within budget and meet all defined business requirements upon  
3 completion;

4 (4) ensure that minor information technology projects follow processes  
5 established by the office;

6 (5) establish procedures to limit the need for change requests.

7 (b) The director shall review, approve or reject, and monitor all information  
8 technology projects undertaken by a state agency. The director may approve an  
9 information technology project

10 (1) that conforms to project management procedures and policies;

11 (2) that does not duplicate a capability already existing in the state;

12 (3) that conforms to procurement rules and policies; and

13 (4) for which sufficient funds are available.

14 (c) The director shall ensure that state agency information technology project  
15 requirements are documented in biennial information technology plans. If a state  
16 agency updates a biennial information technology plan to add a new project, the  
17 director shall immediately report to the office of management and budget the reasons  
18 for the new requirement and the costs and funding sources associated with the new  
19 requirement.

20 (d) The director may adopt regulations that the director considers necessary to  
21 implement AS 44.21.600 - 44.21.650.

22 **Sec. 44.21.620. Approval, suspension, and cancellation of projects.** (a) A  
23 state agency may not begin an information technology project unless the director  
24 approves the project. If the director rejects a proposed information technology project,  
25 the director shall indicate the specific reasons the project was rejected in writing. The  
26 director shall, within five business days after rejecting a project, deliver the written  
27 rejection to the state agency and provide a copy of the rejection to the office of  
28 management and budget.

29 (b) The director may suspend or cancel an information technology project that  
30 does not continue to meet applicable quality assurance standards. The director shall  
31 immediately suspend or cancel an information technology project that is initiated

1 without the director's approval. A project suspended or canceled because the project  
2 lacks the director's approval may not proceed until the state agency completes all  
3 required project management documentation and the director approves the project. If  
4 the director suspends or cancels a project, the director shall, within five business days  
5 after ordering the suspension or cancellation, provide in writing to the state agency  
6 and the office of management and budget the specific grounds for the suspension or  
7 cancellation of the project.

8 (c) A state agency may request that the governor review the director's decision  
9 to reject, suspend, or cancel an information technology project by submitting a written  
10 request for review to the governor within 15 business days after receiving written  
11 notice of the director's decision. The agency's request for review must specify the  
12 grounds for the disagreement with the director's determination and include a copy of  
13 the director's written notice. The governor may request additional information from  
14 the agency or the director. Within 30 days after receiving the agency's request for  
15 review, the governor shall provide written notice to the agency and the director of the  
16 governor's decision and the specific grounds for the decision. The governor may

17 (1) affirm the director's decision;

18 (2) reverse or modify the director's decision if the governor finds that  
19 the decision is not supported by substantial evidence; or

20 (3) remand the decision to the director for additional findings.

21 (d) A contract between a state agency and a private entity for an information  
22 technology project must include provisions for vendor performance review and  
23 accountability, contract suspension or termination, and termination of funding. The  
24 director may require that a contract with a private entity include a performance bond,  
25 monetary penalties, or other performance assurance measures for a project that is not  
26 completed within the specified time or that exceeds the contracted price. The director  
27 may use cost savings realized on government vendor partnerships as performance  
28 incentives for an information technology vendor.

29 **Sec. 44.21.630. Project management.** (a) The director shall establish  
30 standardized documentation requirements for information technology projects,  
31 including requests for proposals and contracts. The director shall establish standards

1 for project managers and project management assistants. The director shall develop  
2 performance measures for project reporting and make project reports available to the  
3 public on the office's Internet website.

4 (b) The director shall establish a clearly defined, standardized process for  
5 project management that includes timelines for completion of process requirements for  
6 both the office and state agencies. The director shall also establish reporting  
7 requirements for information technology projects during the planning, development,  
8 and implementation phases of the project and following completion of the project. The  
9 director shall continue to monitor system performance and financial aspects of each  
10 project after implementation.

11 (c) For a major information technology project, the director shall designate a  
12 project manager from the office. The project manager shall select qualified personnel  
13 from the state agency undertaking the project to participate in information technology  
14 project management, implementation, testing, and other activities. The project  
15 manager shall provide periodic reports to the director. The reports must include  
16 information regarding the state agency's business requirements, applicable laws and  
17 regulations, project costs, issues related to hardware and software, training, projected  
18 and actual completion dates, and other information relevant to the implementation of  
19 the information technology project.

20 (d) The director may require a state agency developing or undertaking a major  
21 information technology project to engage the services of private counsel or a subject  
22 matter expert with the appropriate information technology expertise. The private  
23 counsel or subject matter expert may review requests for proposals, review and  
24 provide advice and assistance during the evaluation of proposals and selection of  
25 vendors, and review and negotiate contracts associated with the project. This  
26 subsection applies to minor information technology projects that are related and  
27 separated into individual projects if the total cost of ownership of the individual  
28 projects exceeds \$5,000,000.

29 (e) For a minor information technology project, the state agency undertaking  
30 the project shall provide one or more project managers. A state agency project  
31 manager is subject to review and approval by the director. A state agency project

1 manager shall ensure that applicable quality assurance standards are met, as  
2 determined by the director. A state agency project manager shall provide periodic  
3 reports to a project management assistant assigned to the project under (f) of this  
4 section. The reports must include information regarding project costs, issues related to  
5 hardware and software, training, projected and actual completion dates, and other  
6 information relevant to the implementation of the information technology project.

7 (f) For a minor information technology project, the director shall designate a  
8 project management assistant from the office. The director may designate a project  
9 management assistant from the office to a major information technology project. A  
10 project management assistant designated under this subsection shall advise the state  
11 agency undertaking an information technology project on the initial planning of a  
12 project, the content and design of requests for proposals, contracts, procurement, and  
13 architectural and other technical reviews. The project management assistant shall also  
14 monitor progress in the development and implementation of the project and provide  
15 status reports to the state agency and the director, including recommendations  
16 regarding continued approval of the project.

17 **Sec. 44.21.640. Standards for purchases.** The director shall establish  
18 standards for the purchase of state agency hardware and software that are consistent  
19 with AS 36.30 (State Procurement Code) and reflect identified and documented state  
20 agency needs.

21 **Sec. 44.21.650. Definitions.** In AS 44.21.600 - 44.21.650,

22 (1) "change request" means a formal proposal requesting deviations in  
23 the project processes, cost, scope, or timeline;

24 (2) "director" means the director of the office of information  
25 technology;

26 (3) "information technology project" means an effort of defined and  
27 limited duration that implements, effects a change in, or addresses a risk to processes,  
28 services, security, systems, records, data, human resources, or architecture related to  
29 technology used for the processing and transmission of information; "information  
30 technology project" does not include a broadband project managed by the office of  
31 broadband under AS 44.33.910;

1                   (4) "major information technology project" means an information  
2 technology project undertaken by a state agency that has a total lifetime cost of  
3 ownership of \$5,000,000 or more or an information technology project jointly  
4 undertaken by two or more state agencies;

5                   (5) "minor information technology project" means an information  
6 technology project undertaken by a single state agency that has a total lifetime cost of  
7 ownership of less than \$5,000,000;

8                   (6) "office" means the office of information technology;

9                   (7) "state agency" has the meaning given in AS 44.99.240.

10    \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
11 read:

12           TRANSITION: REGULATIONS. The Department of Administration shall adopt  
13 regulations necessary to implement this Act. The regulations take effect under AS 44.62  
14 (Administrative Procedure Act), but not before the effective date of the law implemented by  
15 the regulation.

16    \* **Sec. 3.** Section 2 of this Act takes effect immediately under AS 01.10.070(c).

17    \* **Sec. 4.** Except as provided in sec. 3 of this Act, this Act takes effect January 1, 2025.