

## **BILL ANALYSIS**

Senate Research Center

S.B. 1541  
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Business & Commerce  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 2017, the legislature required a state agency proposing to spend appropriated funds for a major information technology project to first conduct an execution capability assessment. The implementation of this provision led to a state agency conducting self-assessments of their capabilities, which resulted in biased measurements. S.B. 65 (2019) by Senator Nelson repealed this provision and instead required that a state agency prepare a business case providing initial justification for each proposed major information resources project.

The State of Texas currently does not use modern business practices for evaluating major information resource projects. Major industries use proven evaluation tools to determine feasibility of successful completion before launching large IT projects. The failure to use a high-quality project evaluation process has contributed to the failure of numerous IT modernization projects and cost the state millions of dollars.

S.B. 1541 would require a business case for any proposed major state information resources project to use an evidence-based scoring method delivered by an independent third party that includes measurement and corrective actions for the state agency's operational and technical strengths and weaknesses related to the project. It also requires the evaluation of alternative financing models, such as system as a service. These changes would improve the overall success rate of major state IT modernization projects and, ultimately, save taxpayer dollars from waste.

(Original Author's / Sponsor's Statement of Intent)

S.B. 1541 amends current law relating to the definition of business case for major information resources projects.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2054.003, Government Code, by adding Subdivision (2-a), as follows:

(2-a) Defines "business case" for Chapter 2054 (Information Resources) to mean a comparison of business solution costs and project benefits based on a solution assessment and validation for a major information resources project, which may include alternative financing models, such as system as a service, and a readiness score of the project using an evidence-based scoring method delivered by an independent third party that includes measurement and corrective actions for the state agency's operational and technical strengths and weaknesses related to the project.

SECTION 2. Effective date: September 1, 2021.