

CHAPTER 2012-142

Committee Substitute for House Bill No. 5509

An act relating to the state data center system; amending s. 282.201, F.S.; revising duties of the Agency for Enterprise Information Technology and state agencies relating to consolidation of agency data centers into a primary data center; removing a requirement for publishing notice of rule development; removing a requirement that agencies submit certain information to the Agency for Enterprise Information Technology; revising the schedule of consolidations; providing a timeframe for specified agency facilities to be consolidated; providing exemptions for specified agencies and facilities; requiring an agency and primary data center to submit a report to the Executive Office of the Governor and the chairs of the legislative appropriations committees if they are unable to execute a service-level agreement within a certain time period; requiring agencies to submit a transition plan to the appropriate primary data center by a certain date; providing for content of the plan; requiring the primary data centers to develop and submit transition plans to the Agency for Enterprise Information Technology, the Executive Office of the Governor, and the chairs of the legislative appropriations committees by a certain date; providing for content of the plans; requiring an agency that is consolidating facilities into a primary data center to submit certain information concerning adjustments of resources with its legislative budget request; removing a requirement that the Agency for Enterprise Information Technology develop comprehensive transition plans; revising restrictions on agencies relating to technology facilities and services; amending s. 282.203, F.S.; revising duties of primary data centers and boards of trustees of such centers; requiring the centers to provide agencies with projected costs for inclusion in the agencies' budget requests; requiring boards to provide a plan for consideration by the Legislative Budget Commission under certain conditions; providing that certain administrative overhead costs require a specific appropriation in the General Appropriation Act; amending s. 1004.649, F.S.; revising responsibilities of the Northwest Regional Data Center; revising the date by which the center must provide agencies with projected costs; requiring the center to submit a plan to the Legislative Budget Commission when a billing rate schedule is revised after the beginning of the fiscal year and increases an agency's costs; providing an effective date.

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

Section 1. Subsection (1), paragraphs (d) and (e) of subsection (2), subsections (3) and (4), and paragraph (a) of subsection (5) of section 282.201, Florida Statutes, are amended to read:

282.201 State data center system; agency duties and limitations.—A state data center system that includes all primary data centers, other nonprimary data centers, and computing facilities, and that provides an

enterprise information technology service as defined in s. 282.0041, is established.

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

(2) AGENCY FOR ENTERPRISE INFORMATION TECHNOLOGY DUTIES.—The Agency for Enterprise Information Technology shall:

(d) By October 1 of each year ~~beginning in 2011,~~ provide recommendations to the Governor and Legislature relating to changes to the schedule for the consolidations of state agency data centers as provided in subsection (4).

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

- a. Consolidating purchase decisions.;
 - b. Leveraging expertise and other resources to gain economies of scale.;
 - c. Implementing state information technology policies more effectively.;
- and
- d. Maintaining or improving the level of service provision to customer entities.

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

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

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

2. Identifying standards for hardware, including standards for a shared, virtualized server environment, and operations system software and other operational software, including security and network infrastructure, for the primary data centers; requiring compliance with such standards in order to enable the efficient consolidation of the agency data centers or computing facilities; and providing an exemption process from compliance with such standards, which must be consistent with paragraph (5)(b).

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

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

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

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

(3) STATE AGENCY DUTIES.—

(a) For the purpose of completing the its work activities as described in ~~subsections~~ ~~subsection~~ (1) and (2), each state agency shall provide to the Agency for Enterprise Information Technology all requested information relating to its data centers and computing facilities and any other information relevant to the agency's ability to effectively transition its computer services into a primary data center. The agency shall also participate as required in workgroups relating to specific consolidation planning and implementation tasks as assigned by the Agency for Enterprise Information Technology and determined necessary to accomplish consolidation goals.

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

- ~~1. Amount of floor space used and available.~~
- ~~2. Numbers and capacities of mainframes and servers.~~
- ~~3. Storage and network capacity.~~

~~4. Amount of power used and the available capacity.~~

~~5. Estimated expenditures by service area, including hardware and software, numbers of full-time equivalent positions, personnel turnover, and position reclassifications.~~

~~6. A list of contracts in effect for the fiscal year, including, but not limited to, contracts for hardware, software and maintenance, including the expiration date, the contract parties, and the cost of the contract.~~

~~7. Service-level agreements by customer entity.~~

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

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

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

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

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

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

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

4. The FCAT Explorer.

5. FACTS.org.

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

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

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

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

~~(d) By July 1, 2012, the Department of Highway Safety and Motor Vehicles' Office of Motor Carrier Compliance During the 2011-2012 fiscal year, the following shall be consolidated into the Northwood Shared Resource Center:~~

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

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

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

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

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

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

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

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

~~2. By August 31, 2012, the Department of Highway Safety and Motor Vehicles.~~

~~3.2. By December 31, 2012, the Department of Environmental Protection's Palmetto Commons.~~

~~4.3. By December 31, 2012, the Department of Health's Test and Development Lab and all remaining data center resources located at the Capital Circle Office Complex March 30, 2013, the Department of Law Enforcement's headquarters location.~~

~~(g) During the 2013-2014 fiscal year, the following agencies shall be consolidated into the Southwood Shared Resource Center work with the Agency for Enterprise Information Technology to begin preliminary planning for consolidation into a primary data center:~~

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

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

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

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

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

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

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

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

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

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

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

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

3. By March 31, 2014, the Department of Agriculture and Consumer Services' Agriculture Management Information Center in the Mayo Building and the Division of Licensing.

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

1. The Department of Health's Jacksonville Lab Data Center.

2. The Department of Transportation's district offices, toll offices, and the District Materials Office.

3. The Department of Military Affairs' Camp Blanding Joint Training Center in Starke.

4. The Department of Community Affairs' Camp Blanding Emergency Operations Center in Starke.

5. The Department of Education's Division of Blind Services disaster recovery site in Daytona Beach.

6. The Department of Education's disaster recovery site at Santa Fe College.

~~7. The Department of the Lottery's Disaster Recovery Backup Data Center in Orlando.~~

~~7.8.~~ The Fish and Wildlife Conservation Commission's Fish and Wildlife Research Institute in St. Petersburg.

~~8.9.~~ The Department of Children and Family Services' Suncoast Data Center in Tampa.

~~9.10.~~ The Department of Children and Family Services' Florida State Hospital in Chattahoochee.

(j)(i) During the 2015-2016 fiscal year, all computing resources remaining within an agency ~~nonprimary~~ data center or computing facility, to include the Department of Financial Services' Hartman, Larson, and Fletcher Buildings data centers, shall be transferred to a primary data center for consolidation unless otherwise required to remain in the agency for specified financial, technical, or business reasons that must be justified in writing and approved by the Agency for Enterprise Information Technology. Such data centers, computing facilities, and resources must be identified by the Agency for Enterprise Information Technology by October 1, 2014.

(k) The Department of Law Enforcement, the Department of the Lottery's Gaming System, Systems Design and Development in the Office of Policy and Budget, and the State Board of Administration, state attorneys, public defenders, criminal conflict and civil regional counsel, capital collateral regional counsel, the Florida Clerks of Court Operations Corporation, and the Florida Housing Finance Corporation are exempt from data center consolidation under this section.

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

(m)(k) Beginning September 1, 2011, and every 6 months thereafter until data center consolidations are complete, the Agency for Enterprise Information Technology shall provide a status report on the implementation of the consolidations that must be completed during the fiscal year. The report shall be submitted to the Executive Office of the Governor and the chairs of

the legislative appropriations committees. The report must, at a minimum, describe:

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

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

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

1. An inventory of the agency data center's resources being consolidated, including all hardware and its associated life cycle replacement schedule, software, staff, and contracted services, and the facility resources performing data center management and operations, security, backup and recovery, disaster recovery, system administration, database administration, system programming, job control, production control, print, storage, technical support, help desk, and managed services, but excluding application development, and the agency's costs supporting these resources;

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

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

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

5.4. A timetable with significant milestones for the completion of the consolidation; and

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

(o)(m) Each primary data center shall develop a transition plan for absorbing the transfer of agency data center resources based upon the timetables for transition as provided in this subsection. The plan shall be submitted to the Agency for Enterprise Information Technology, the

Executive Office of the Governor, and the chairs of the legislative appropriations committees by September 1st 30 of the fiscal year before the fiscal year in which the scheduled consolidations will occur. Each plan must include:

1. ~~An estimate of~~ The projected cost to provide data center services for each agency scheduled for consolidation.;
2. A staffing plan that identifies the projected staffing needs and requirements based on the estimated workload identified in the agency transition plan.;
3. The fiscal year adjustments to budget categories in order to absorb the transfer of agency data center resources pursuant to the legislative budget request instructions provided in s. 216.023.;
4. An analysis of the cost effects resulting from the planned consolidations on existing agency customers.;
5. A description of any issues that must be resolved in order to accomplish as efficiently and effectively as possible all consolidations required during the fiscal year.

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

~~(n) The Agency for Enterprise Information Technology shall develop a comprehensive transition plan, which shall be submitted by October 15th of the fiscal year before the fiscal year in which the scheduled consolidations will occur to each primary data center, to the Executive Office of the Governor, and the chairs of the legislative appropriations committees. The transition plan shall be developed in consultation with agencies submitting agency transition plans and with the affected primary data centers. The comprehensive transition plan must include:~~

- ~~1. Recommendations for accomplishing the proposed transitions as efficiently and effectively as possible with minimal disruption to customer agency business processes;~~
- ~~2. Strategies to minimize risks associated with any of the proposed consolidations;~~
- ~~3. A compilation of the agency transition plans submitted by agencies scheduled for consolidation for the following fiscal year; and~~
- ~~4. Revisions to any budget adjustments provided in the agency or primary data center transition plans.~~

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

(5) AGENCY LIMITATIONS.—

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

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

2. Spend funds before the agency's scheduled consolidation into a primary data center to purchase or modify hardware or operations software that does not comply with hardware and software standards established by the Agency for Enterprise Information Technology pursuant to paragraph (2)(e) for the efficient consolidation of the agency data centers or computing facilities;

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

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

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

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

282.203 Primary data centers.—

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

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

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

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

(d) Provide to each agency head by September 1 of the fiscal year before the fiscal year in which the agency's consolidation is scheduled to occur the projected costs to provide data center services. Each agency head shall use

the projected cost for inclusion in his or her respective legislative budget request for budget adjustments necessary to fund the agency's data center services.

~~(e)(d)~~ Provide transparent financial statements to customer entities, the center's board of trustees, and the Agency for Enterprise Information Technology. The financial statements shall be provided as follows:

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

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

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

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

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

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

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

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

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

1. A service-level agreement, at a minimum, must:

- a. Identify the parties and their roles, duties, and responsibilities under the agreement.;
- b. Identify the legal authority under which the service-level agreement was negotiated and entered into by the parties.;
- c. State the duration of the contractual term and specify the conditions for contract renewal.;
- d. Prohibit the transfer of computing services between primary data center facilities without at least 180 days' notice of service cancellation.;
- e. Identify the scope of work.;
- f. Identify the products or services to be delivered with sufficient specificity to permit an external financial or performance audit.;
- g. Establish the services to be provided, the business standards that must be met for each service, the cost of each service, and the process by which the business standards for each service are to be objectively measured and reported.;
- h. Identify applicable funds and funding streams for the services or products under contract.;
- i. Provide a timely billing methodology for recovering the cost of services provided to the customer entity.;
- j. Provide a procedure for modifying the service-level agreement to address changes in projected costs of service.;
- k. Provide that a service-level agreement may be terminated by either party for cause only after giving the other party and the Agency for Enterprise Information Technology notice in writing of the cause for termination and an opportunity for the other party to resolve the identified cause within a reasonable period.;
- l. Provide for mediation of disputes by the Division of Administrative Hearings pursuant to s. 120.573.
2. A service-level agreement may include:
 - a. A dispute resolution mechanism, including alternatives to administrative or judicial proceedings;
 - b. The setting of a surety or performance bond for service-level agreements entered into with agency primary data centers established by law; or
 - c. Additional terms and conditions as determined advisable by the parties if such additional terms and conditions do not conflict with the requirements of this section or rules adopted by the Agency for Enterprise Information Technology.

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

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

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

~~(l)~~~~(k)~~ Be the custodian of resources and equipment that are located, operated, supported, and managed by the center for the purposes of chapter 273.

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

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

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

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

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

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

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

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

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

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

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

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

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

b. The board may direct the primary data center to levy one-time charges on all customer entities to cover the shortfall. The one-time charges shall be implemented using actual usage rate and billing data from the first three quarters of the fiscal year and the same principles used to set rates for the fiscal year.

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

8. Providing a plan for consideration by the Legislative Budget Commission if a billing rate schedule is used after the start of the fiscal year which increases any agency's costs for that fiscal year.

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

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

1004.649 Northwest Regional Data Center.—

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

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

(b) ~~Maintain~~ Maintains an appropriate cost-allocation methodology that accurately bills state agency customers based solely on the actual direct and indirect costs of the services provided to state agency customers, and prohibits the subsidization of nonstate agency customers' costs by state agency customers.

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

1. Identify the parties and their roles, duties, and responsibilities under the agreement;

2. State the duration of the agreement term and specify the conditions for renewal;

3. Identify the scope of work;

4. Establish the services to be provided, the business standards that must be met for each service, the cost of each service, and the process by which the business standards for each service are to be objectively measured and reported;

5. Provide a timely billing methodology for recovering the cost of services provided; and

6. Provide a procedure for modifying the service-level agreement to address any changes in projected costs of service.

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

(e) ~~Provide~~ Provides to each state agency customer its projected annual cost for providing the agreed-upon data center services by ~~September~~ August 1 each fiscal year.

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

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

Approved by the Governor April 20, 2012.

Filed in Office Secretary of State April 20, 2012.