

Continued Investment into State IT and Cybersecurity is Critical

Key Takeaways:

- The \$200 million invested into the Technology Improvement and Modernization (TIM) Fund in 2021 is an important down-payment toward a long-term problem.
- The 5-year IT Modernization plans state agencies are now required to complete will help scope the real challenges faced by agencies instead of only immediate needs or reactions to crises.
- The additional \$44 billion budget projection for the 88th Legislative Session provides a great opportunity to increase money to TIM fund, either through General Revenue, unused federal dollars, the Economic Stabilization Fund (ESF), or a long-term funding vehicle.

Background:

The 87th Legislature passed HB 4018, which did three things:

1. Created the Joint Committee on Investment in Information Technology Improvement,
2. Established the TIM Fund, and
3. Required state agencies that have over 150 full time employees to put forth five-year modernization plans.

Additionally, \$200 million of American Rescue Plan Act (ARPA) funds were appropriated to the TIM Fund last session in addition to the over \$800 million in the 2022-23 General Appropriations Act for IT funding that addressed priority projects identified in the Priority Cybersecurity and Legacy Systems report. While the investments were substantial and desperately needed, they were not a one-time solution. Of the list of critical projects with immediate funding needs that state agencies submitted to the Joint Committee, there is well over \$300 million in requests as compared to the \$200 million available pool. Those requests were just for current priority projects, as the five-year plans are due October 1st and have not yet been submitted.

Proposed Action:

With the incoming Legislature having the largest surplus in history – an additional \$27 billion from General Revenue, the \$14 billion in the ESF and about \$3 billion unused ARPA funds – to write next biennium's budget, there is an opportunity to make long-lasting changes that would ensure long-term investment solutions for IT modernization and cybersecurity.

Budget Cost Estimate:

Texas 2036 encourages an addition \$1 billion added into the TIM Fund to ensure that each state agency has the technology they need to fight off cyber criminals and efficiently provide services to the citizens of Texas.

Public Policy Impact:

With the emphasis shifting to future planning instead of crisis responses with the creation of the Joint Committee on Investment in Information Technology Improvement and dedicated funding to the TIM Fund, the Legislature now has the opportunity to rethink what were thought of as previously unattainable solutions and plan for modern needs instead of placing band aids on outdated systems. As a state agency employee testified during the first meeting of the Joint Committee, they are operating on “1990’s systems on a 1980’s budget with a 1970’s mindset.” It’s time for our technology to be solidly in the 21st century.