

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

SENATE BILL 1434

AN ACT

AMENDING TITLE 41, CHAPTER 32, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 41-3509 AND 41-3510; RELATING TO INFORMATION TECHNOLOGY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 32, article 1, Arizona Revised Statutes,
3 is amended by adding sections 41-3509 and 41-3510, to read:

4 41-3509. Consolidation and shared services; transfer of
5 information technology infrastructure; report

6 A. THE DEPARTMENT SHALL IDENTIFY OPPORTUNITIES FOR INFORMATION
7 TECHNOLOGY CONSOLIDATION AND SHARED SERVICES, INCLUDING CONSOLIDATING SERVERS
8 AND DATA CENTERS.

9 B. THE DEPARTMENT SHALL ADOPT A POLICY THAT ESTABLISHES A TWO-YEAR
10 HARDWARE, PLATFORM AND SOFTWARE REFRESH EVALUATION CYCLE FOR BUDGET UNITS
11 THAT REQUIRES EACH BUDGET UNIT TO EVALUATE AND PROGRESSIVELY MIGRATE THE
12 BUDGET UNIT'S INFORMATION TECHNOLOGY ASSETS TO USE A COMMERCIAL CLOUD
13 COMPUTING MODEL OR CLOUD MODEL AS DEFINED BY THE NATIONAL INSTITUTE OF
14 STANDARDS AND TECHNOLOGY. THE POLICY MUST DIRECT BUDGET UNITS TO CONSIDER
15 PURCHASING AND USING CLOUD COMPUTING SERVICES BEFORE MAKING ANY NEW
16 INFORMATION TECHNOLOGY OR TELECOMMUNICATIONS INVESTMENT.

17 C. POLICIES ADOPTED PURSUANT TO SUBSECTION B OF THIS SECTION SHALL
18 INCLUDE THE FOLLOWING GUIDELINES:

19 1. PRIVACY AND SECURITY THAT REQUIRES ANY OFF-PREMISES ENVIRONMENT TO
20 CONFORM TO THE APPLICABLE FEDERAL RISK AND AUTHORIZATION MANAGEMENT PROGRAM,
21 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT PRIVACY STANDARDS
22 (42 CODE OF FEDERAL REGULATIONS SECTION 164.512 (e)), FAMILY EDUCATIONAL
23 RIGHTS AND PRIVACY ACT OF 1974 (P.L. 93-380), CRIMINAL JUSTICE INFORMATION
24 SERVICES SECURITY POLICY, PAYMENT CARD INDUSTRY DATA SECURITY STANDARD,
25 INTERNAL REVENUE SERVICE PUBLICATION 1075, FEDERAL INFORMATION SECURITY
26 MODERNIZATION ACT OF 2014 (P.L. 113-283), NATIONAL INSTITUTE OF STANDARDS AND
27 TECHNOLOGY SPECIAL PUBLICATION 800-53, NATIONAL INSTITUTE OF STANDARDS AND
28 TECHNOLOGY SPECIAL PUBLICATION 800-171 AND FEDERAL INFORMATION PROCESSING
29 STANDARDS PUBLICATION 200 BASED ON DATA ATTRIBUTES.

30 2. CYBER SECURITY THAT ADDRESSES AND INCORPORATES APPLICABLE CYBER
31 SECURITY MANAGEMENT AND INCIDENT REPORTING REQUIREMENTS IN THE POLICY
32 PURSUANT TO THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY PUBLICATIONS
33 AND THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY CYBER SECURITY
34 FRAMEWORK.

35 3. DATA CATEGORIZATION THAT ASSESSES DATA AND DETERMINES PRIVACY AND
36 SECURITY LIMITS BEFORE MIGRATION AND THAT CONFORMS WITH APPLICABLE INTERNAL
37 REVENUE SERVICE PUBLICATION 1075, FEDERAL INFORMATION PROCESSING STANDARDS
38 PUBLICATION 199 AND STANDARDS FOR SECURITY CATEGORIZATION OF FEDERAL
39 INFORMATION AND INFORMATION SYSTEMS.

40 4. THIRD PARTY CATEGORIES, INCLUDING HARDWARE, PLATFORM OR SOFTWARE
41 MIGRATIONS, THAT REQUIRE THIRD PARTIES TO CONFORM TO THE APPLICABLE NATIONAL
42 INSTITUTE OF STANDARDS AND TECHNOLOGY DEFINITION OF CLOUD COMPUTING SPECIAL
43 PUBLICATION 800-145.

1 5. ECONOMIC VALUE THAT REQUIRES EVALUATION OF THE TOTAL COST OF
2 OWNERSHIP ANALYSIS OF A PERIOD OF NOT LESS THAN FIVE YEARS FOR ALL
3 CONSOLIDATION EFFORTS CONSIDERED.

4 6. DATA AND NETWORK STANDARDS THAT REQUIRE ANY ENVIRONMENT CONSIDERED
5 FOR USE CERTIFIES ALL TRAFFIC TO AND FROM THE HOSTING ENVIRONMENT AND THE
6 LOCATION OF THE DATA WILL RESIDE WITHIN THE UNITED STATES.

7 7. APPLICABLE DATA SECURITY THAT CONFORMS TO DATA IN TRANSIT AND DATA
8 AT REST ENCRYPTION STANDARDS AS REFERENCED IN FEDERAL INFORMATION PROCESSING
9 STANDARDS PUBLICATION 140-2, SECURITY REQUIREMENTS FOR CRYPTOGRAPHIC MODULES.

10 D. ON OR BEFORE JANUARY 1, 2017, EACH BUDGET UNIT SHALL REPORT TO THE
11 DEPARTMENT REGARDING THE BUDGET UNIT'S PLAN FOR MIGRATING THE BUDGET UNIT'S
12 INFORMATION TECHNOLOGY INFRASTRUCTURE.

13 E. BEGINNING JANUARY 1, 2017, EACH BUDGET UNIT SHALL REPORT TO THE
14 DEPARTMENT, THE CHIEF INFORMATION OFFICER AND THE CHAIRPERSON OF THE JOINT
15 LEGISLATIVE BUDGET COMMITTEE ON OR BEFORE JANUARY 1 AND JULY 1 OF EACH YEAR
16 ON THE BUDGET UNIT'S PROGRESS IN TRANSFERRING DATA PURSUANT TO SUBSECTION B
17 OF THIS SECTION AND ANY FACTORS DELAYING OR INHIBITING THE EXPANSION OF CLOUD
18 COMPUTING USAGE.

19 F. NOTWITHSTANDING ANY OTHER LAW, A PURCHASE OR CONTRACT FOR
20 INFORMATION TECHNOLOGY PROJECTS THAT EXCEEDS ONE HUNDRED THOUSAND DOLLARS
21 PURSUANT TO THIS SECTION REQUIRES THE DEPARTMENT TO SOLICIT AT LEAST TWO
22 WRITTEN BIDS FROM QUALIFIED BIDDERS BEFORE THE CONTRACT MAY BE AWARDED.

23 41-3510. Information technology infrastructure plan; joint
24 legislative budget committee review

25 A BUDGET UNIT SHALL SUBMIT EACH INFORMATION TECHNOLOGY INFRASTRUCTURE
26 PLAN TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR REVIEW WITHIN NINETY DAYS
27 AFTER AWARDING ANY CONTRACT FOR INFORMATION TECHNOLOGY INFRASTRUCTURE THAT
28 EXCEEDS TWO MILLION FIVE HUNDRED THOUSAND DOLLARS. THE JOINT LEGISLATIVE
29 BUDGET COMMITTEE MAY MEET IN EXECUTIVE SESSION TO CONSIDER THE PLAN. THE
30 PLAN SHALL INCLUDE ALL OF THE FOLLOWING:

- 31 1. A PROJECT INVESTMENT JUSTIFICATION OR REQUEST FOR PROPOSAL.
32 2. THE NAME OF EACH BIDDER THAT WAS REQUESTED TO BID, AND EACH BIDDER
33 THAT SUBMITTED A BID FOR THE PROJECT AND THE AMOUNTS AND CONDITIONS OF THE
34 BIDS.
35 3. THE NAME AND BID AMOUNT OF THE SUCCESSFUL BIDDER.