



Interim Report

to the 84th Legislature

House Committee on
Government Efficiency and Reform



January 2015

**HOUSE COMMITTEE ON GOVERNMENT EFFICIENCY AND REFORM
TEXAS HOUSE OF REPRESENTATIVES
INTERIM REPORT 2014**

**A REPORT TO THE
HOUSE OF REPRESENTATIVES
84TH TEXAS LEGISLATURE**

**LINDA HARPER-BROWN
CHAIRMAN**

**COMMITTEE CLERK
KRISTA HEIDEN**



Committee On
Government Efficiency and Reform

January 12, 2015

Linda Harper-Brown
Chairman

P.O. Box 2910
Austin, Texas 78768-2910

The Honorable Joe Straus
Speaker, Texas House of Representatives
Members of the Texas House of Representatives
Texas State Capitol, Rm. 2W.13
Austin, Texas 78701

Dear Mr. Speaker and Fellow Members:

The Committee on Government Efficiency and Reform of the 83rd Legislature hereby submits its interim report for consideration by the 84th Legislature.

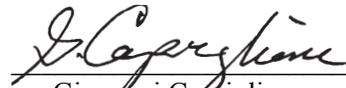
Respectfully submitted,


Linda Harper-Brown

Charles Perry


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INTRODUCTION

The Honorable Joe Straus, Speaker of the House of Representatives, appointed seven members of the 83rd Legislature to serve on the House Committee on Government Efficiency & Reform. The following members were named to the committee: Chair Linda Harper-Brown, Vice-Chair Charles Perry, Rep. Van Taylor, Rep. Hubert Vo, Rep. Scott Turner, Rep. Giovanni Capriglione, and Rep. Phil Stephenson.

Pursuant to House Rule 4, Section 15 (83rd Legislature), the Committee has jurisdiction over all matters pertaining to:

- (1) the organization, operation, powers, regulations, and management of state departments, agencies, institutions, and advisory committees;
- (2) elimination of inefficiencies in the provision of state services;
- (3) open government matters, including open records and open meetings; and
- (4) the Sunset Advisory Commission.

During the interim, Speaker Joe Straus issued the following seven interim charges to the committee to study and report back with facts, findings, and recommendations.

- Examine current restrictions on state and local governmental entities relating to the construction of critical infrastructure, including transportation and water projects, and make recommendations for expediting and creating more cost-effective and efficient methods for the construction of such projects.
- Study the current laws, rules, and processes in place for the Department of Information Resources's Cooperative Contracts and recommend improvements to the 84th Legislature. (Joint charge with the House Committee on Technology)
- Review the application of the Public Information Act regarding requests for large amounts of electronic data. Examine whether the procedures and deadlines imposed by the Act give governmental bodies enough time to identify and protect confidential information in such requests.
- Examine the public's accessibility to government services and agencies through the use of mobile applications and online services. (Joint charge with the House Committee on Technology)
- Study the benefits of utilizing a Chief Innovation Officer for Texas and its agencies.
- Study the feasibility of having all state agencies use the Texas Workforce Commission's

"Work in Texas" website for a more standardized applications process. Determine the interest of municipal, county, and other jurisdictions in boosting their utilization of the website.

- Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 83rd Legislature. In conducting this oversight, the committee should:
 - consider any reforms to state agencies to make them more responsive to Texas taxpayers and citizens;
 - identify issues regarding the agency or its governance that may be appropriate to investigate, improve, remedy, or eliminate;
 - determine whether an agency is operating in a transparent and efficient manner; and
 - identify opportunities to streamline programs and services while maintaining the mission of the agency and its programs.

The members of the House Government Efficiency and Reform Committee are grateful to the Speaker for the opportunity to address these critical issues and submit this report. The Committee is also appreciative to the agencies, associations, and individuals, who contributed their time and effort in developing this report.

INFRASTRUCTURE

Examine current restrictions on state and local governmental entities relating to the construction of critical infrastructure, including transportation and water projects, and make recommendations for expediting and creating more cost-effective and efficient methods for the construction of such projects.

Background

Texas is growing at an unprecedented rate. It is estimated that an average of 635 people move to Texas everyday.¹ With this boom in population growth comes a need to adequately grow Texas' infrastructure. Texas faces growing challenges in meeting its infrastructure needs. The State's traditional transportation funding mechanisms have left a large gap between available funding and the funding needed to address transportation challenges.² The 83rd Legislature created a water fund that would offer loans for projects like new water reservoirs, pipelines, and conservation projects. With the approval of funding by Texas voters, 2 billion dollars will now be available for water infrastructure projects.³

Testimony

On Wednesday, August 27, 2014, the House Committee on Government Efficiency & Reform met in a public hearing in Austin to consider the Interim Charge. The Committee heard testimony from the following: Ed Penscok, TxDOT; Carlos Swonke, TxDOT; Zhanmin Zhang, UT Austin Center for Transportation Research; Ken Stringer, Texas Water Infrastructure Network; Chris Canonico, CDM Smith; Maxie Gallardo, Workers Defense Project.

FINDINGS

Texas Department on Transportation

TxDOT testified to their experience and success utilizing both design-build (DB) and Comprehensive Development Agreements (CDA). These agreements provide for the design and construction, rehabilitation, expansion or improvement of a transportation project as outlined in Sections 223.201 - 223.250, Transportation Code. CDAs and DBs may also include right-of-way acquisition and roadway maintenance. Additionally, CDAs may also include private financing, toll collection, and operation of a transportation facility, whereas DBs do not include private financing or operation. TxDOT has successfully used CDAs and DBs to partner with the private sector to expedite construction of many large-scale projects that would otherwise have not been completed for years. These CDAs and DBs leverage state resources to fund projects much faster than would have been possible with traditional pay-as-you-go methods.⁴

State law establishes and controls TxDOT's contracting activities for the goods and services it requires. The Department's contracting activities adhere to specific statutes that govern the procurement and provider selection process. The Code of Federal Regulations (CFR) and the Texas Administrative Code (TAC) provide additional guidance for implementing and adhering to statutory requirements.⁵

The competitive bid process requires TxDOT to award a contract to the entity that has submitted a responsive bid or proposal that affords the lowest cost or best value for the desired good or service. State law requires TxDOT to use a competitive best value bidding process to award CDAs or DB contracts, and a competitive low bid process to award traditional highway construction and maintenance contracts. Best overall value considers other criteria in addition to pricing. It considers experience, safety record, innovation, and completion time; although, cost is still the primary factor considered. After TxDOT executes a contract, local TxDOT offices provide oversight of construction and maintenance projects.⁶

Cost savings associated with CDA and DB projects are difficult to assess because these projects vary widely in size, complexity, construction time, procurement landscape and other factors. In terms of time, TxDOT can document significant savings resulting from the overlapping and concurrent phases of design and construction activities. On average, the concurrent design and construction of a project can reduce estimated project delivery time by 40 to 50 percent, which reduces costs associated with the value of time and money. For example, TxDOT estimates saving four to six years by using CDA/DB to deliver several recent large construction projects. Inflation over that period at a four percent construction cost index would increase the cost of a \$500 million project by \$100 million to \$130 million.⁷

University of Texas Center for Transportation Research

Dr. Zhang's testimony focused on asset management. Asset management is concerned with the entire life cycle of infrastructure decisions, including planning, design, construction, maintenance, monitoring, and operations. It is a strategic approach to managing infrastructure systems that focuses on business processes for resource allocation and utilization with the

objective of better decision-making based upon quality information and well-defined objectives.⁸ Asset management can help decision makers achieve a balanced program that addresses 6 Goals: 1) Improving and ensuring safety that will save lives; 2) Preserving the asset value; 3) Enhancing user serviceability or satisfaction; 4) Ensuring economic development and competitiveness; 5) Improving government efficiency and accountability; and 6) Enhancing communication between government agencies and the general public.

RECOMMENDATIONS

The Committee recommends the following:

- Remove the restrictions placed on design-build projects both dollar amounts as well as number of projects. Allow both TxDOT and local governments to utilize the best fit for their community and project.
- Examine TxDOT's procurement and contracting process with the intent of eliminating steps and inefficiencies in the process. One potential solution is the committed financing aspect. Possible resolutions could be asking bidders to provide financing prior to bidding or use it in the criteria when evaluating proposals.
- Review the current process and restrictions when evaluating past performance of bidders. Best value should include not just specific methods, but allowing companies to use projects of similar size and scope. Look for opportunities to increase transparency and competition in the bidding process for critical infrastructure.
- Consider investments into innovations such as self-heating roads and self-healing roads.

DIR COOPERATIVE CONTRACTS

Study the current laws, rules, and processes in place for the Department of Information Resources' Cooperative Contracts and recommend improvements to the 84th Legislature.

Background

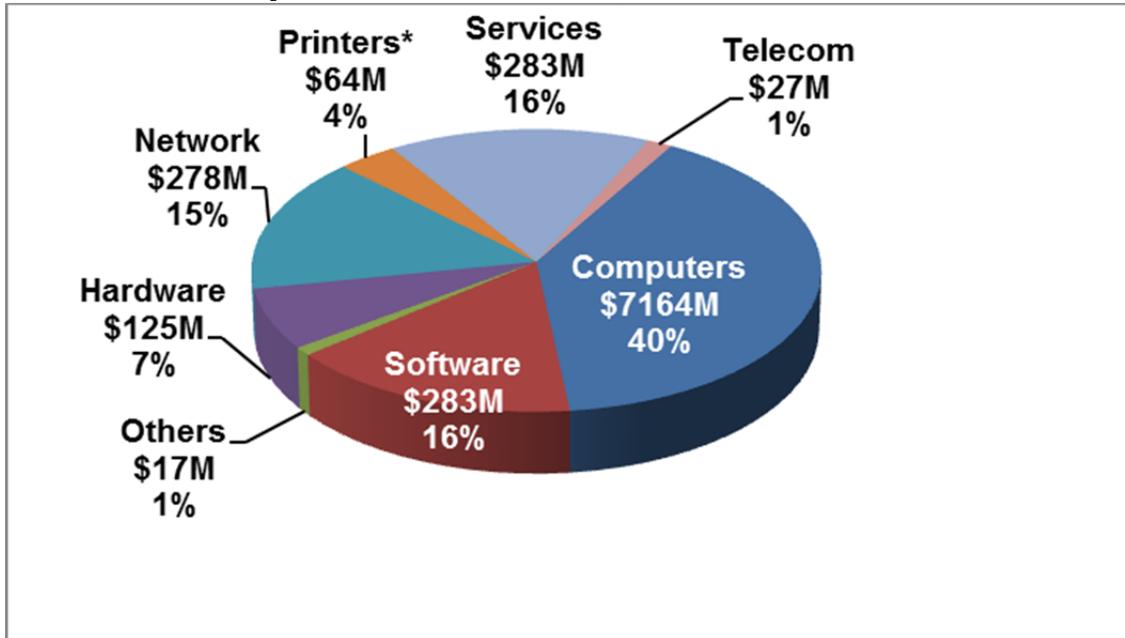
The Department of Information Resources (DIR) provides statewide oversight and support for management of government information and communications technology. The agency was created in 1989 when the Texas Legislature passed the Information Resources Management Act, found in Chapter 2054 of the Texas Government Code. Since that time, the scope of responsibilities for the Department has increased.⁹

One of the main duties of DIR is the Cooperative Contracts program that was implemented with the intent to save taxpayer money by leveraging the state's volume-buying power to drive down costs. The Cooperative Contracts program within DIR was created with the passage of HB 1516 (79R). This bill requires state agencies to buy commodity items, from DIR contracts, unless the agency obtains an exemption from DIR.¹⁰ In addition, HB 1516 allowed DIR to add a 2% service fee to all products and services purchased through its contracts.¹¹ During the same legislative session, DIR's general revenue funding was eliminated. The idea was for DIR to become self-funded through the cooperative contracts program. Furthermore, the definition of commodity item was changed to include all technology products and services.

Commodity items (products and services) have been defined in the Texas Administrative Code, Chapter 212. Commodity items are commercially available software, hardware and technology services that are generally available to businesses or the public and for which DIR determines that a reasonable demand exists in two or more state agencies.¹² Currently, over 750 IT commodity contracts are in place for products and services, including computers, software, security hardware and software, networking equipment, telecommunications equipment, IT staffing services, and technology-based training.¹³

DIR, through its Cooperative Contracts Program, is to assist state agencies and local governments with cost-effective acquisition of information resources by negotiating, managing, and administering contracts with information technology providers.¹⁴ DIR has executed more than 750 technology contracts through the cooperative purchasing program. In FY 2009, the program had over \$1.3 billion in sales generating more than \$171 million in taxpayer savings.¹⁵ The Cooperative Contracts program generated approximately \$300 million in cost savings in FY2013.

FY2013 Purchases by Product Total Purchases \$1.79 Billion¹⁶



However, the State Auditor released an audit regarding the cooperative contracts program and identified numerous areas of concern within the program.¹⁷ Many of the issues stemmed from the extreme growth of the program. In addition to the growth of the program the number of staff supporting the program has decreased. The concern stemmed from a lack of oversight regarding the program, and whether Texas was getting the best value on its technology purchases. The State Auditor specifically recommended improvements be made in the areas of contract procurement, contract monitoring, determining statewide needs, cost-savings calculations, and information technology.

Testimony

On Wednesday, May 21, 2014 the House Committee on Government Efficiency & Reform and the House Committee on Technology met in a joint public hearing in Austin to consider the Interim Charge.

The Committee heard testimony from the following: Ileana Barboza, State Auditor's Office; Mary Cheryl Dorwart, Department of Information Resources; Cesar Saldivar, State Auditor's Office.

FINDINGS

During the hearing the State Auditor's Office reiterated its findings regarding DIR's Cooperative Contract program.

Contract Procurement

- DIR should require vendors to specify the manufacturer's suggested retail price (MSRP) at the time of negotiation, and include in its contracts either the MSRP amount or a not-to-exceed price to ensure that customers obtain best value.
- DIR should include in Program contracts volume discounts that increase as total statewide aggregate purchases increase to ensure that the Program benefits both small and large customers.¹⁸

Statewide Needs

- DIR should review its exemption request log and determine whether requesting more specific information would enable the Department to identify the need to establish new Program contracts. The Department should also look into whether an electronic exemption request process would be useful.
- The Department should require state agencies to prepare and submit procurement schedules for information technology commodities they are planning to purchase in a prescribed format that the Department can use to identify statewide needs and establish new Program contracts.
- DIR should review biennial operating plans to identify proposed information technology projects for which the Department could establish new Program contracts.¹⁹

Contract Monitoring

- The Department needs to establish a process to regularly verify the completeness and accuracy of monthly sales reports that Program vendors submit to ensure that it has reliable sales data to assess and set Program administrative fee rates, determine the correct amount of administrative fees it should collect, and calculate and report Program cost savings.
- Restore its policies and procedures that require contract managers to monitor whether vendors provide customers the discounts specified in their Program contracts.²⁰

Program Cost Savings

- DIR needs to seek guidance and work with the Legislative Budget Board to update, implement, and follow an agreed-upon methodology for calculating Program cost savings for all contracts.²¹

Information Technology

- The Department should improve user access and password controls to its Program

contract data to minimize the risk of unauthorized access and changes to Program data.

- Ensure that its internal password policies comply with the requirements in Title 1, Texas Administrative Code, Chapter 202, and the password guidelines for state agencies on the Department's Web site.
- Establish a quality assurance process to verify the completeness and accuracy of contract data, and ensure that it uses and reports reliable information to decision makers.²²

The Department of Information Resources has self-reported the implementation of the following cooperative contracts enhancements:

- Procurement Coordination Committee established to adhere to the Sunset recommendation to have the Comptroller's office and DIR work together to align processes where appropriate.
- Conducted a bulk purchase of computers for designated agencies as per the Rider (SB 1, Rider 9.04).
- Instituted contracting reporting to the DIR Board. At the quarterly meeting, the Technology Sourcing Office reports current contracts greater than \$100,000 to the Board.
- Established Board Subcommittee for Cooperative Contract and HUB Compliance Subcommittee to provide direction to DIR and give the Board greater visibility into DIR processes related to the programs.
- Implemented additional contract staff training (i.e. cost avoidance, terms and conditions).
- Initiated compliance audits of the cooperative contract purchases and the administrative fees to validate vendor reporting compliance.
- Contract and Vendor Management instituted CTCM and CTPM certifications for all contract managers.
- Initiated a realignment of Contract and Vendor Management staff to enhance continuity and develop team concept expertise for hardware, software, and services.
- Added TEX-AN deliverables into salesforce application to enhance contract monitoring of required deliverables.
- Added webinars to the pre-bid vendor conference to allow increased participation by out-of-town vendors.
- Instituted a debriefing process so that vendors who have been disqualified or did not receive an Invitation to Negotiate, can contact DIR to obtain feedback about offer

including scoring.

- Implemented ITSOURCING. This is an email announcement list for government personnel interested in Contracts and Sourcing related to Information Technology.²³

RECOMMENDATIONS

The Committee found that DIR has made great strides in implementing the State Auditor's recommendations.

The Committee recommends the following:

- DIR should continue to implement the State Auditor's Office suggestions to better monitor and meet the needs of its customers.
- Expand the customer base for Cooperative Contracts to include, among others, libraries, private K-12 schools, universities, hospitals, and quasi state agencies such as the Electric Reliability Council of Texas (ERCOT).

MOBILE APPLICATIONS

Examine the public's accessibility to government services and agencies through the use of mobile applications and online services.

Background

Mobile devices have changed the way Americans access information. The prevalence of these devices have completely changed the way the internet is utilized. Smartphones and tablets account for fifty-five percent (55%) of internet activity.²⁴ This number is only expected to grow. Fifty-eight percent (58%) of Americans have a smartphone. Mobile devices currently outsell personal computers two to one.²⁵

Increasingly, many Texans want to be able to accomplish their government interactions anytime, from anywhere through their computers and mobile devices. State agencies will need to provide mobile device access to information and services in order to continue to reach this digital community.

Citizens want access to state government information and services in person, over the phone, and over a mobile device such as a smartphone or tablet. They want the information to be clear and consistent no matter how it is accessed; they want services such as license renewal and certificates of birth and death to be easy to understand and purchase; and they want confidence that their interactions are secure.

For many people nothing will replace or improve upon a face-to-face conversation and transaction with state agency personnel. Increasingly many Texans want to be able to accomplish their government interactions anytime, from anywhere through their computers and mobile devices. As smartphones and tablets become the public's preferred means of accessing the internet, state agencies will need to provide mobile device access to information and services in order to continue to reach this digital community.

The answer in some cases is to build or convert state agency information and services into mobile applications or "apps". A mobile app is a tool that helps a person accomplish a task or find information. Apps are designed to work on a mobile phone. Some need to be downloaded to the phone while others can be accessed using the phone's web browser. While this method of delivering services to the mobile citizenry may be the one that immediately comes to mind, it is not always necessary or warranted.²⁶

Another way mobile content can be provided is through responsive design. Responsive design is a web design approach that renders content across multiple device types. While mobile apps are distributed through an app store often at a small price, responsive design detects device type automatically, rendering functionality tailored to each device. Responsive design is built into web pages, costs the user nothing, and does not need to be purchased or updated.

Responsive design is not the only method of providing online mobile services. In some cases, agencies have created a separate, mobile-enabled version of their website that is specific for

mobile devices. This approach may be warranted in certain cases, especially where there is a complex desktop version of the website already in production. The drawback to this approach is that it requires maintenance of two separate versions.

Agencies need criteria to guide them towards the best and most efficient mobile strategy that meets the needs of their business and customers. Agencies that effectively deliver over mobile channels have also taken these factors into consideration:

- Smaller screens mean content must be clear and direct;
- Ease of navigation and easily tapped icons improves the mobile experience for everyone; and
- Enhanced information architecture is critical to the speed and ease with which online transactions can be conducted securely.

Texas.gov, the State's official website, provides portal and payment services for over fifty Texas state agencies and for other governmental customers to cost-effectively conduct business online with their constituents. Texans renew their vehicle registrations; get birth, death, and marriage certifications; and renew licenses for occupations, facilities, hunting, driving, and concealed handguns on Texas.gov.

The payment services provided through Texas.gov and twenty-three Texas.gov applications were optimized for mobile use in 2013, including the Department of Public Safety's driver license/ID renewal, Board of Nursing nurse license renewal, City of Mesquite utility bill pay, and the Texas Veterans Portal. When a mobile device such as a smartphone or tablet loads texas.gov or www.texas.gov, the portal displays a single column with large, descriptive icons that are easy to tap. Most transactions available through the portal can be completed on mobile devices.²⁷

Testimony

On Wednesday, May 21, the House Committee on Government Efficiency and Reform and the House Committee on Technology met in a joint public hearing in Austin to consider the Interim Charge:

The Committee heard testimony from the following: Janet Gilmore, Texas Department of Information Resources; Sherri Greenberg, Bowden Hight, Health and Human Services Commission; Matthew Hudson, State Representative Florida House of Representatives; Joanne Salazar, and Mark Smith, Texas State Library and Archives Commission.

DIR recommends matching the agency's specific needs to determine the best way to get the information out to the public.²⁸ Understanding the differences in options is helpful in determining which service is best. Apps are designed to work on a mobile phone. Some need to be downloaded to the phone while others can be accessed using the phone's web browser.²⁹

Another way mobile content can be provided is through responsive design. Responsive design detects device type automatically, rendering functionality tailored to each device. It is a web

design approach that renders content across multiple device types. Responsive design is built into web pages, costs the user nothing, and does not need to be purchased or updated.³⁰

Others may need a Mobile-enabled version of their website that is specific for mobile devices. This approach may be warranted in certain cases, especially where there is a complex desktop version of the website already in production. The drawback to this approach is that it requires maintenance of two separate applications.³¹

The Texas State Library and Archives Commission currently ensures the public's access to government services through the use of online services. Currently through the TexShare and K-12 database TSLAC provides:³²

- Access to online content via TexShare and K-12 database programs.
- Assistance to libraries in obtaining E-Rate discounts for telecommunications services.
- Efforts to manage archival state documents in electronic format, an urgently needed project that will save taxpayers money while achieving greater transparency of state government.

The Health and Human Services (HHS) System supports a number of online resources for HHS staff, clients, providers, stakeholders, and the general public. HHSC focuses on the user and need to define its online resources.³³ Information on health and human services is available on HHS agency sites. Agency websites include information on regulated services or licensed providers. A number of HHS agency websites maintain secure modules that allow HHS employees, contractors and the public to report certain incidents.³⁴

The HHS System has begun to explore the use of mobile applications to further serve HHS clients, stakeholders and the general public. In March 2014, HHSC released a Texas Veterans App. This app gives U.S. military veterans free, direct access to the national Veterans' Crisis Line and Hotline for Women Veterans, as well as the Texas Military Veteran Peer Network and Texas Veterans Portal. The "Connect with Texas Veterans" option provides a number for users to call and request help with connecting to other veterans within their geographical area of Texas. The system will continue to evaluate the opportunity for mobile applications to enhance health and human services.³⁵

The Florida House of Representatives released a mobile app in 2013 that allows the user to access information related to the members and committees. Users can access the House Calendar and look up bills. It also allows users to stream video and access a variety of helpful directories.³⁶

FINDINGS AND RECOMMENDATIONS

The Committee found that a number of steps have been taken to increase access to information through mobile phones and tablets. In order to best discern which option is best, agencies should establish criteria to assess both the need and demand for a mobile friendly version. They should develop criteria to determine which option would be best for their potential users. Agencies that effectively deliver over mobile channels have taken these factors into consideration:

- Smaller screens mean content must be clear and direct;
- Ease of navigation and easily tapped icons improves the mobile experience for everyone; and
- Enhanced information architecture is critical to the speed and ease with which online transactions can be conducted securely.

Further, the Committee finds that agencies should continue to strive to provide better access to their services through mobile apps. Agencies should look to the Department of Information Resources for assistance as they make this move. As agencies make their information and services mobile ready, they will need to consider:

- Demographics, comprising a breakdown of Asian Americans by ethnicity including Chinese, Vietnamese, Korean, etc.
- frequency and recurrence of use,
- immediacy and urgency of use,
- potential level of automation, and
- relevance of location information for service delivery.

Given the trend toward use of mobile devices as the primary connection tool for the internet, agencies may need:

- Guidance on when, what, and how to develop mobile apps and online mobile services;
- Resources to upgrade, create, or modify applications and mobile online services; and
- Shared services which are already mobile-enabled, such as Texas.gov payment service applications.

DIR can offer tools to support agencies in these decision-making processes in addition to access to strategically bid contracts with businesses to implement those decisions. Agencies should seek guidance and technical support from DIR to achieve a smooth transition to mobile applications.

WORK IN TEXAS

Study the feasibility of having all state agencies use the Texas Workforce Commission's "Work in Texas" website for a more standardized applications process. Determine the interest of municipal, county, and other jurisdictions in boosting their utilization of the website.

Background

Texas Workforce Commission's (TWC) WorkInTexas.com is one of the largest job-matching resources available to Texas' employers.³⁷ The website provides free opportunities to find available talent to fill current job vacancies. Since the launch of the site it has helped fill an estimated two million jobs. Employers can use the site to post job notices, search for resumes, check for labor availability, and recruitment tools at no cost to them.³⁸

WorkInTexas.com was launched in 2004. Major improvements have been made to the site since then. In 2007, a two day "vet hold" was added, this ensures veterans get first review of all jobs.³⁹ In 2008 TWC entered into a public/private partnership with DirectEmployers to incorporate all Texas jobs from the National Labor Exchange into WorkInTexas.com, thereby expanding the job content available to job seekers by 35%. In 2012, the site was re-launched with a new look and improved process. In 2013 a mobile friendly version of the site for job seekers was developed.

Public Entities Using Workintexas.com⁴⁰

| | Total # of Entities (employers) | # of Total Entities Registered with WorkInTexas.com (WIT) | | # of Registered Entities Posting Jobs in WIT in CY2013 | |
|--|---------------------------------|---|---------|--|---------|
| | | Number | Percent | Number | Percent |
| State Agencies | 150 | 121 | 81% | 111 | 92% |
| State Universities* | 45 | 59 | 131% | 53 | 90% |
| Independent School Districts (ISDs) | 1,032 | 629 | 61% | 146 | 23% |
| Cities | 2,806 | 737 | 26% | 240 | 33% |
| Counties | 254 | 143 | 56% | 59 | 41% |
| All Local & State Governments | 4,287 | 1,689 | 39% | 609 | 36% |

* Number registered in WIT bigger than number of total due to multiple accounts for a single entity

Testimony

On Wednesday, May 21, the House Committee on Government Efficiency and Reform met in a public hearing in Austin to consider the Interim Charge.

The Committee heard testimony from the following: Laurie Biscoe, Texas Workforce Commission; and Scott Eychner, Texas Workforce Commission.

FINDINGS

The TWC is constantly looking into improvements to the site based on user feedback from employers and potential employees utilizing the site. In addition, TWC testified that they are currently in the process of looking into ways to improve awareness of the site to employers and employees through marketing strategies.

In addition to public testimony, the Committee received written testimony from the Texas Conference of Urban Counties. They provided information regarding the utilization of the site from six large urban counties.⁴¹

- Harris County:
 - Harris County reports that it uses the state site for its job postings. The County has had a positive experience with the website and experienced no problems.
- Dallas County:
 - Dallas County reports that they are not currently utilizing the state website. However they are impressed with the features and information and will look into making more use of it.
- Tarrant County:
 - Tarrant County reports that it has made limited use of the Work in Texas website, but it does not yet have enough positive results to make more use of the site.
- Bexar County:
 - Bexar County reports that it posts open positions to the Work in Texas website, but does not use recruitment and job matching tools. Bexar County uses the NEOGOV public workforce management system for the job application and selection process.
- Travis County:
 - Travis County reports that it has used the state site extensively since 2011 and has placed close to 900 jobs. The one concern that was voiced about the site was the inability to generate reports on activity such as views and applications through the website.
- El Paso County:
 - El Paso County reports that it uses the Work in Texas website for hard to fill positions but would like to use it for all positions with some changes to their local operations. They currently make use of their own job posting system (NEOGO) on the county website.

The Committee found that Texas Workforce Commission (TWC) has taken numerous steps to improve the look and the ease of use of the site. It has also taken proactive steps in improving the site based on employer concerns and feedback. TWC has taken positive steps to increase its accessibility to job seekers.

RECOMMENDATIONS

In order to increase use of the site for both employers and job seekers, TWC should continue to improve upon its marketing. It seems that many localities are not aware of the tools and access they might have through using the site. Additionally, TWC should look into providing more tools to employers, such as recruitment and job matching tools. As well as the ability for employers to generate user reports such as number of views.

CHIEF INNOVATION OFFICERS

Study the benefits of utilizing a Chief Innovation Officer for Texas and its agencies

Background

The position of Chief Innovation Officer (CIO) was first developed in the business community in the late 1990s. The principle was that the CIO manages the innovation process within the company, looking for new opportunities, new strategies, and new business partners.⁴² The concept of a CIO first started to gain momentum in the public sector in 2008. Governments first used the CIO for education reform and sustainability. However, with the impact of the recession governments had to deal with massive budget cuts, economic development, and job creation.⁴³ Innovative governments are going to adapt better to these pressures than those that try to continue to do business as they always have. The position has since transformed to focus on internal government. CIOs are now utilized to assist in increased use of technology and abolish inefficiencies. Many have looked into inefficiencies and improvements in contract procurement. CIOs are becoming more common in public agencies. The CIO generally looks into fundamental inefficiencies within government and ways to completely revitalize and transform the process to save money and time.⁴⁴

Another position that has gained momentum is that of a Chief Process Manager (CPM) or Chief Process Officer (CPO). This position is similar to that of a CIO. However, these positions focus on identifying which parts of a company's business processes could be improved and identify specific ways to make them work better.

Testimony

On Wednesday, August 27, 2014, the House Committee on Government Efficiency and Reform met in a public hearing in Austin to consider the Interim Charge.

The Committee heard testimony from the following: Tony Parham, Commonwealth of Massachusetts; and Stephen Goldsmith, self and Harvard's Kennedy School of Government.

FINDINGS

Tony Parham is the first GIO in the history of Massachusetts. The position was created by executive order issued by the Governor. As the first chief innovation officer for the Commonwealth, the GIO is accountable for improving internal government efficiencies and for the improved experience of outside stakeholders such as residents, businesses, and local governments. The GIO position reports both to the Governor and the Secretary of Administration and Finance. The role focuses on improving the experience with state government for citizens, businesses, and municipalities. It also focuses on working to boost internal government efficiencies, leverage technology to improve services and save money, and improve performance for state employees and residents. In addition, The Governor's Council for Innovation was established in 2012, composed of venture capitalists, founders of successful start-ups, technology specialists, innovation experts and leading academics from Harvard, MIT and the University of Massachusetts, to advise the Governor on the best opportunities for streamlining the delivery of government services to people and businesses and to improve government efficiency.⁴⁵

The program has since leveraged social media to communicate more effectively with citizens. In addition, they are utilizing a form of crowdsourcing to utilize public input to solve government issues. The GIO creates a topic or challenge for as well as a target audience for input, they currently use a program called icatalyst.

Mr. Parham has also started a competition amongst startups to solve challenges within state government. The Community Innovation Challenge Grants (CIC Grant Program) invests in and incentivizes innovation among local governments through regionalization and other reforms and efficiencies to maintain critical local services.⁴⁶

The GIO works with the Governor's Council for Innovation and the Governor to create an Innovation Agenda. The agenda focuses on identifying, funding and managing execution of high-impact innovation projects to streamline the delivery of government services to people, businesses and local government in order to improve government efficiency.

Project Director Stephen Goldsmith is the Daniel Paul Professor of the Practice of Government and the Director of the Innovations in American Government Program at Harvard's Kennedy School of Government. He previously served as Deputy Mayor of New York and Mayor of Indianapolis, where he earned a reputation as one of the country's leaders in public-private partnerships, competition, and privatization. Mr. Goldsmith emphasized leveraging the insight of current agency employees to help develop innovative ideas. In addition, he stressed that innovation is not just a top down or bottom up approach it must be from both to truly change the way government works.⁴⁷

He also testified to potential issues arising from an innovation mindset. The focus on innovation for innovations sake is often a pitfall; he urges continually asking, "what is the public value your agency is trying to add to the average Texan?" If the process is not actually serving the need or is no longer needed, then there is no longer a need to innovate. Secondly, innovation often requires agencies to collaborate, setting up a process for collaboration is vital. Third, innovation is often trapped, a process to get those ideas to decision makers is essential.⁴⁸ Also, in any program a

focus on results is crucial. Innovating a process that does not produce the results necessary is not a good use of the program.

Both witnesses testified that starting an innovation program often comes with heavy push-back. Change is difficult and often leads to uncertainty. The key to this is messaging; states must focus on higher quality and better services for citizens.

Recommendations

- The Committee recommends the creation of a Chief Innovation Officer on the State, agency level, or within the Sunset Commission.
- The Committee recommends the use of a process manager for the State's agencies.
- Both positions should utilize best practices. This involves using market research methods for ideas and insights; strategic innovation; promoting open innovation; and introducing group tools and processes that encourage creative thinking.
- Adequate training for personnel on the skills they need, and developing and applying measures to track improvements in innovation and the skills supporting them. Training managers to support innovation, and helping people generate ideas.

Public Information Act

Review the application of the Public Information Act to requests for large amounts of electronic data. Examine whether the procedures and deadlines imposed by the Act give governmental bodies enough time to identify and protect confidential information in such requests.

Background

The Texas Public Information Act (Act) gives the public the right to request access to government information. It was adopted in 1973 by the 63rd Legislature. The Act was initially codified as V.T.C.S. article 6252-17a, which was repealed in 1993 and replaced by the Public Information Act now codified in the Texas Government Code in chapter 552.4.⁴⁹ Section 552.011 of the Government Code authorizes the Attorney General to prepare, distribute and publish materials, including detailed and comprehensive written decisions and opinions, to maintain uniformity in the application, operation and interpretation of the Act.⁵⁰

The Act is triggered when a person submits a written request to a governmental body. The request must ask for records or information already in existence, and does not require a governmental body to create new information, to do legal research, or to answer questions.

A person may ask to view the information, get copies of the information, or both. If a request is for copies of information, the governmental body may charge for the copies. If a request is only for an opportunity to inspect information, then usually the governmental body may not impose a charge on the requestor. However, under certain limited circumstances a governmental body may impose a charge for access to information. All charges imposed by a governmental body for copies or for access to information must comply with the rules prescribed by the Office of the Attorney General (“OAG”), unless another statute authorizes an agency to set its own charges.

Although the Act makes most government information available to the public, some exceptions exist. If an exception might apply and the governmental body wishes to withhold the information, the governmental body generally must, within ten business days of receiving the open records request, refer the matter to the OAG for a ruling on whether an exception applies. If the OAG rules that an exception applies, the governmental body will not release the information. If a governmental body improperly fails to release information, the Act authorizes the requestor or the OAG to file a civil lawsuit to compel the governmental body to release the information.

If the governmental body wishes to withhold information from a member of the public, it must show that the requested information is within at least one of the exceptions to required public disclosure.

Issues have arisen when governmental bodies receive requests for large amounts of electronic data.

Testimony

On Wednesday, August 27, the House Committee on Government Efficiency and Reform and met in a public hearing in Austin to consider the Interim Charge.

The Committee heard testimony from the following: Amanda Crawford, Chief of Open Records Division, Office of the Attorney General; Lori Payne, The City of Southlake; Joy Streater, District Clerks Association of Texas.

The City of Southlake testified that issues have arisen specifically for requests for large data for commercial purposes. The City has had to dedicate an increased amount of resources to fulfill these requests. The majority of requests the City receives are from private businesses mining for data. The City has taken steps to alleviate the burden such as placing the most commonly requested information on the City website, however that has done little to alleviate the issue.

The City of Southlake recommended:

1. Allowing public entities to satisfy the requirements of the Act by directing appropriate requests to the entities website where the information could be regularly posted.
2. Add copyrighted material to the current list of exceptions identified in ORD No. 684, which would eliminate the need to request an Attorney General's opinion. The Attorney General's office currently denies the release of copyrighted materials, however, the Act allows for viewing and review of this material by requester.
3. Add "utility billing" information (i.e. new water customer lists) to the current list of exceptions identified in ORD No. 684, if the customer has marked their application as confidential, which would eliminate the need to request an Attorney General's opinion. The Attorney General's office currently denies the release of these records (Utility Code, Section 182.052).

The Attorney General's office testified that they handle issues arising from both governmental bodies and requestors. The Attorney General's Office issued Open Records Decision No. 682 that allows the governmental body to have individuals opt in to receive the information electronically. The Public Information Act places responsibility for compliance with the Act on the governmental body's officer for public information. In addition, there are mechanisms in place to handle the amount of information requested.⁵¹

Recommendations

- Consider allowing public entities to satisfy the requirements of the Act by directing appropriate requests to the entities website where the information could be regularly posted, and easily accessible.
- Consider adding “utility billing” information (i.e. new water customer lists) to the current list of exceptions identified in ORD No. 684. If the customer has marked their application as confidential, it would eliminate the need to request an Attorney General’s opinion.
- Add copyrighted material to the current list of exceptions identified in ORD No. 684, which would eliminate the need to request an Attorney General’s opinion. The Attorney General’s office currently denies the release of copyrighted materials, however, the Act allows for viewing and review of this material by requester.

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