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**GOVERNMENT CODE - GOV**

**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]** ( Title 2 enacted by Stats. 1943, Ch. 134. )

**DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3]** ( Division 3 added by Stats. 1945, Ch. 111. )

**PART 1. STATE DEPARTMENTS AND AGENCIES [11000 - 11898]** ( Part 1 added by Stats. 1945, Ch. 111. )

**CHAPTER 5.5. Technology [11531 - 11544]** ( Chapter 5.5 added by Stats. 2006, Ch. 533, Sec. 1. )

**ARTICLE 2. Office of Technology Services [11534 - 11543]** ( Heading of Article 2 amended by Stats. 2010, Ch. 404, Sec. 5. )

**11534.** (a) There is in the Government Operations Agency, in the Department of Technology, the Office of Technology Services.

(b) The purpose of this article is to establish a general purpose technology services provider to serve the common technology needs of executive branch entities with accountability to customers for providing secure services that are responsive to client needs at a cost representing best value to the state.

(c) The purpose of this chapter is to improve and coordinate the use of technology and to coordinate and cooperate with all public agencies in the state in order to eliminate duplications and to bring about economies that could not otherwise be obtained.

(d) Unless the context clearly requires otherwise, whenever the term "Department of Technology Services" appears in any statute, regulation, or contract, it shall be deemed to refer to the Office of Technology Services, and whenever the term "Director of Technology Services" appears in statute, regulation, or contract, it shall be deemed to refer to the Chief of the Office of Technology Services.

(e) Unless the context clearly requires otherwise, the Office of Technology Services and the Director of Technology succeed to and are vested with all the duties, powers, purposes, responsibilities, and jurisdiction vested in the former Department of Technology Services and the former Director of Technology Services, or Secretary of California Technology, respectively.

(f) All employees serving in state civil service, other than temporary employees, who are engaged in the performance of functions transferred to the Office of Technology Services, are transferred to the Office of Technology Services. The status, positions, and rights of those persons shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5), except as to positions the duties of which are vested in a position exempt from civil service. The personnel records of all transferred employees shall be transferred to the Office of Technology Services.

(g) The property of any office, agency, or department related to functions transferred to the Office of Technology Services is transferred to the Office of Technology Services. If any doubt arises as to where that property is transferred, the Department of General Services shall determine where the property is transferred.

(h) All unexpended balances of appropriations and other funds available for use in connection with any function or the administration of any law transferred to the Office of Technology Services shall be transferred to the Office of Technology Services for the use and for the purpose for which the appropriation was originally made or the funds were originally available. If there is any doubt as to where those balances and funds are transferred, the Department of Finance shall determine where the balances and funds are transferred.

(Amended by Stats. 2013, Ch. 353, Sec. 71. (SB 820) Effective September 26, 2013. Operative July 1, 2013, by Sec. 129 of Ch. 353.)

**11538.** The Chief of the Office of Technology Services shall be appointed by, and serve at the pleasure of, the Governor, subject to Senate confirmation. The chief shall report to the Director of Technology.

(Amended by Stats. 2013, Ch. 353, Sec. 72. (SB 820) Effective September 26, 2013. Operative July 1, 2013, by Sec. 129 of Ch. 353.)

**11539.** The chief shall be responsible for managing the affairs of the Office of Technology Services and shall perform all duties, exercise all powers and jurisdiction, and assume and discharge all responsibilities necessary to carry out the purposes of this chapter. The Office of Technology Services shall employ professional, clerical, technical, and administrative personnel as necessary to carry out this chapter.

**11540.** The Director of Technology shall propose to the Director of Finance rates for Office of Technology Services' services based on a formal rate methodology. The Director of Finance shall approve the proposal based on the reasonableness of the rates, any significant impact on departmental budgets, and all other requirements of the rate reassessment required under Section 11540.5. The Director of Technology and the Director of Finance shall coordinate to develop policies and procedures to implement this section, including, but not limited to, the format and timeframe of the rate proposal and any changes recommended as part of the rate reassessment pursuant to subdivision (e) of Section 11540.5.

(Amended by Stats. 2022, Ch. 48, Sec. 24. (SB 189) Effective June 30, 2022.)

**11540.5.** (a) The department, in consultation with the Department of Finance, shall reassess the formal rate methodology and relevant policies and procedures for state data center services.

(b) Upon appropriation by the Legislature, moneys to support the administrative costs or revenue losses sustained by the department during the rate reassessment shall be allocated to the department from the General Fund.

(c) The department shall conduct the rate reassessment commencing July 1, 2022, and shall complete the rate reassessment no later than June 30, 2025.

(d) Upon completion of the rate reassessment, any remaining funds transferred from the General Fund for the purposes of administrative costs or revenue losses sustained by the department shall be transferred to the Technology Services Revolving Fund created by Section 11544 no later than June 30, 2025.

(e) To complete the rate reassessment, the department, in consultation with the Department of Finance, shall do all of the following:

(1) Develop a rate structure that would allow a state entity or other customer of a state data center to compare services offered by state data centers with comparable services offered by major private vendors, including, but not limited to, features, levels of service, rates, and service options for all offered services.

(2) Determine and designate which state data center services are either cost inefficient or mandatory.

(3) Evaluate the potential elimination of both cost-inefficient state data center services and nonmandatory state data center services.

(4) (A) Recommend revision of policies, procedures, and strategies for the provision of state data center services, including, but not limited to, all of the following:

(i) Creating centralized contracts for shared information technology services to replace state data center services, including, but not limited to, contracts pursuant to subdivision (b) of Section 11546.45.

(ii) Requiring state entities to use specific state data center services needed to maintain a certain level of service for critical programs.

(iii) Instating term agreements for state data center services to improve revenue and expenditure forecasting.

(B) The recommendations shall consider how to revise the policies, procedures, and strategies, including, but not limited to, those in subparagraph (A), to provide state data center services in a cost-effective, efficient, and strategic manner.

(f) Commencing April 1, 2023, and every twelve months thereafter until August 1, 2025, the department shall submit a written report to relevant budget subcommittees of both houses and to the Joint Legislative Budget Committee on progress toward the state data center rate reassessment requirements in subdivision (e); its consideration of changes to current policies, procedures, and strategies pursuant to paragraph (4) of subdivision (e); and on all of the following outcome metrics:

(1) The total number of services offered by state data centers.

(2) The total number of services identified for elimination from state data centers.

(3) An explanation and timeline for the elimination of services identified in paragraph (2).

(4) The amount and percentage change in rates, if any, for state data center services.

(5) An explanation for the change in rates, if any, calculated pursuant to paragraph (4).

(6) The estimated difference in rates by service between state data centers and major private vendors based on the total cost of ownership, which include, but are not limited to, migration costs, managed service support, comparable features, levels of service, and service options.

(7) An explanation for the difference in service rates calculated pursuant to paragraph (6).

(8) The forecasted change in state data center service subscriptions over the current fiscal year and next two fiscal years.

(9) The forecasted change in state data center revenues and expenditures over the current fiscal year and next two fiscal years based on the change in subscriptions forecasted in paragraph (8).

(g) For purposes of this section, the following definitions have the following meanings:

(1) "Cost-inefficient services" means services for which state data center service rates are higher than major private vendor service rates once the state data center service rates are reduced to cover only direct costs.

(2) "Department," unless otherwise stated, refers to the Department of Technology.

(3) "Major private vendors" shall be designated pursuant to specific criteria.

(4) "Mandatory services" means state data center services that must be used by all state entities to achieve greater cost efficiency, improved security, or other comparable reasons identified by the department.

(5) "State data center" means a Tier III or equivalent data center, as designated by the department.

*(Added by Stats. 2022, Ch. 48, Sec. 25. (SB 189) Effective June 30, 2022.)*

**11541.** (a) The Office of Technology Services may acquire, install, equip, maintain, and operate new or existing business telecommunications systems and services. Acquisitions for information technology goods and services shall be made pursuant to Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code. To accomplish that purpose, the Office of Technology Services may enter into contracts, obtain licenses, acquire personal property, install necessary equipment and facilities, and do other acts that will provide adequate and efficient business telecommunications systems and services. Any system established shall be made available to all public agencies in the state on terms that may be agreed upon by the agency and the Office of Technology Services.

(b) With respect to business telecommunications systems and services, the Office of Technology Services may do all of the following:

(1) Provide representation of public agencies before the Federal Communications Commission in matters affecting the state and other public agencies regarding business telecommunications systems and services issues.

(2) Provide, upon request, advice to public agencies concerning existing or proposed business telecommunications systems and services between any and all public agencies.

(3) Recommend to public agencies rules, regulations, procedures, and methods of operation that it deems necessary to effectuate the most efficient and economical use of business telecommunications systems and services within the state.

(4) Carry out the policies of this chapter.

(c) The Office of Technology Services has responsibilities with respect to business telecommunications systems, services, policy, and planning, which include, but are not limited to, all of the following:

(1) Assessing the overall long-range business telecommunications needs and requirements of the state considering both routine and emergency operations for business telecommunications systems and services, performance, cost, state-of-the-art technology, multiuser availability, security, reliability, and other factors deemed to be important to state needs and requirements.

(2) Developing strategic and tactical policies and plans for business telecommunications with consideration for the systems and requirements of public agencies.

(3) Recommending industry standards, service level agreements, and solutions regarding business telecommunications systems and services to ensure multiuser availability and compatibility.

(4) Providing advice and assistance in the selection of business telecommunications equipment to ensure all of the following:

(A) Ensuring that the business telecommunications needs of state agencies are met.

(B) Ensuring that procurement is compatible throughout state agencies and is consistent with the state's strategic and tactical plans for telecommunications.

(C) Ensuring that procurement is designed to leverage the buying power of the state and encourage economies of scale.

(5) Providing management oversight of statewide business telecommunications systems and services developments.

(6) Providing for coordination of, and comment on, plans and policies and operational requirements from departments that utilize business telecommunications systems and services as determined by the Office of Technology Services.

(7) Monitoring and participating, on behalf of the state, in the proceedings of federal and state regulatory agencies and in congressional and state legislative deliberations that have an impact on state governmental business telecommunications activities.

(d) The Office of Technology Services shall develop and describe statewide policy on the use of business telecommunications systems and services by state agencies. In the development of that policy, the Office of Technology Services shall ensure that access to state business information and services is improved, and that the policy is cost effective for the state and its residents. The Office of Technology Services shall develop guidelines that do all of the following:

(1) Describe what types of state business information and services may be accessed using business telecommunications systems and services.

(2) Characterize the conditions under which a state agency may utilize business telecommunications systems and services.

(3) Characterize the conditions under which a state agency may charge for information and services.

(4) Specify pricing policies.

(5) Provide other guidance as may be appropriate at the discretion of the Office of Technology Services.

*(Amended by Stats. 2013, Ch. 353, Sec. 75. (SB 820) Effective September 26, 2013. Operative July 1, 2013, by Sec. 129 of Ch. 353.)*

**11541.5.** (a) The Office of Technology Services shall create a link to state agency Internet Web sites at the State of California Internet portal specifically for the use of small businesses, designed to assist entrepreneurs and small business owners in accessing information regarding startup requirements and regulatory compliance applicable to the particular business.

(b) For purposes of this section, "small business" has the same meaning as set forth in Section 14837.

*(Amended by Stats. 2010, Ch. 404, Sec. 12. (AB 2408) Effective January 1, 2011.)*

**11542.** (a) The Stephen P. Teale Data Center and the California Health and Human Services Agency Data Center are consolidated within, and their functions are transferred to, the Office of Technology Services.

(b) Except as expressly provided otherwise in this chapter, the Office of Technology Services is the successor to, and is vested with, all of the duties, powers, purposes, responsibilities, and jurisdiction of the Stephen P. Teale Data Center, and the California Health and Human Services Agency Data Center. Any reference in statutes, regulations, or contracts to those entities with respect to the transferred functions shall be construed to refer to the Office of Technology Services unless the context clearly requires otherwise.

(c) A lease, license, or any other agreement to which either the Stephen P. Teale Data Center or the California Health and Human Services Agency Data Center is a party shall not be void or voidable by reason of this chapter, but shall continue in full force and effect, with the Office of Technology Services assuming all of the rights, obligations, and duties of the Stephen P. Teale Data Center or the California Health and Human Services Agency Data Center, respectively.

(d) Notwithstanding subdivision (e) of Section 11793 and subdivision (e) of Section 11797, on and after the effective date of this chapter, the balance of any funds available for expenditure by the Stephen P. Teale Data Center and the California Health and Human Services Agency Data Center, with respect to business telecommunications systems and services functions in carrying out any functions transferred to the Office of Technology Services by this chapter, shall be transferred to the Technology Services Revolving Fund created by Section 11544, and shall be made available for the support and maintenance of the Office of Technology Services.

(e) Any reference in statute regulation, or contract to the former Stephen P. Teale Data Center Fund or the California Health and Human Services Data Center Revolving Fund shall be construed to refer to the Technology Services Revolving Fund unless the context clearly requires otherwise.

(f) All books, documents, records, and property of the Stephen P. Teale Data Center and the California Health and Human Services Agency Data Center, excluding the Systems Integration Division, shall be transferred to the Office of Technology Services.

(g) (1) All officers and employees of the former Stephen P. Teale Data Center and the California Health and Human Services Agency Data Center, are transferred to the Office of Technology Services.

(2) The status, position, and rights of any officer or employee of the Stephen P. Teale Data Center and the California Health and Human Services Agency Data Center, shall not be affected by the transfer and consolidation of the functions of that officer or employee to the Office of Technology Services.

*(Amended by Stats. 2013, Ch. 28, Sec. 10. (SB 71) Effective June 27, 2013. Operative July 1, 2013, by Sec. 93 of Ch. 28.)*

**11543.** If the Legislature directs or authorizes the Department of Technology to maintain, develop, or prescribe processes, procedures, or policies in connection with the administration of its duties under this chapter, Chapter 5.6 (commencing with Section 11545), Part 6.5 (commencing with Section 15250), Section 6611 of the Public Contract Code, or Chapter 3 (commencing with Section 12100) or Chapter 3.5 (commencing with Section 12120) of Part 2 of Division 2 of the Public Contract Code, the action by the department shall be exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1). This section shall apply to actions taken by the department with respect to the State Administrative Manual and the State Contracting Manual.

*(Added by Stats. 2013, Ch. 28, Sec. 11. (SB 71) Effective June 27, 2013. Operative July 1, 2013, by Sec. 93 of Ch. 28.)*