# Prioritized Cybersecurity and Legacy Systems (PCLS)

## Report to the Legislative Budget Board

October 1, 2026

# Table of Contents

1.0 | Executive Summary ..... 1
2.0 | Prioritization Methodology and Approach ..... 2
2.1 | Methodology Overview ..... 2
2.2 | Scoring and Normalization Methodology ..... 3
2.3 | Questionnaire Components ..... 4

# List of Figures

Figure 1 | Legacy Systems Process Flow ..... 3

# List of Tables

Table 1 | Quadrant Distribution ..... 1
Table 2 | PCLS Questionnaire Components ..... 4

## 1.0 | Executive Summary

Texas Government Code Section 2054.069 and Section 2063.069 require the Texas Department of Information Resources (DIR) and the Texas Cyber Command (TXCC) to submit to the Legislative Budget Board a report that prioritizes, for the purpose of funding, state agency cybersecurity projects and projects to modernize or replace legacy systems by October 1 of each even-numbered year. To meet the statutory requirement, DIR and TXCC submit this Prioritization of Cybersecurity and Legacy Systems (PCLS) projects report.

To be included in this prioritization, DIR and TXCC provided the opportunity for state agencies, excluding institutions of higher education, to submit information about their proposed cybersecurity and legacy systems modernization projects through a PCLS project questionnaire located on the Statewide Portal for Enterprise Cybersecurity Threat, Risk, and Incident Management (SPECTRIM).

The 2026 report contains information about 81 projects from 26 agencies, totaling an approximate funding request of $840,565,533. The analysis of project submissions is represented in categories of cybersecurity risk and legacy modernization risk and is represented in quadrants.

**DIR and TXCC consider the information in this report to be confidential under Government Code Sections 2059.055 and 552.139 and therefore require that the PCLS report not be publicly disseminated. This report is for the Legislative Budget Board and other agencies only.**

Quadrants are derived by identifying manual natural breaks, also referred to as heuristic break selection, rather than using percentile-based statistical thresholds. These breaks were determined by examining the distribution of the Overall Cybersecurity and Legacy Modernization Score and applying domain-driven ranges to create meaningful groupings.

**Table 1 | Quadrant Distribution**

| Quadrant | Project Count | Dollars Requested |
|---|---|---|
| **Quadrant I** | 21 | $394,862,854 |
| **Quadrant II** | 23 | $218,381,262 |
| **Quadrant III** | 21 | $140,871,490 |
| **Quadrant IV** | 16 | $86,449,927 |
| **Total** | **81** | **$840,565,533** |

# 2.0 | Prioritization Methodology and Approach

## 2.1 | Methodology Overview

For each biennial PCLS report, DIR and TXCC evolve the analysis and scoring of the information submitted to best align with changes in technology and the current technology landscape. This year, DIR and TXCC evaluated cybersecurity projects as initiatives that improve the state agency's cybersecurity; enhance the agency's capability to identify, detect, protect, respond to, or recover from cybersecurity threats and vulnerabilities; or will improve the agency's cyber maturity as measured in the biennial information security plan. For legacy modernization projects, DIR evaluated initiatives that modernize an agency's legacy systems and are primarily intended to support continued systems currency through monitoring the agency's application portfolio and IT infrastructure.

To assess and prioritize the projects for this PCLS report, DIR and TXCC worked collaboratively with the Legislative Budget Board and state agencies in the following four phases:

1. **Strategize:** Update the PCLS questionnaire; inform agencies about any changes from the prior PCLS questionnaire; and formulate a plan to collect data, analyze, and report to state leadership.
2. **Gather:** Develop a data entry mechanism using SPECTRIM and train agencies to populate the data; DIR and TXCC published the instructions on submitting the PCLS questionnaire in June 2026.
3. **Analyze:** Validate, normalize, and analyze the data submissions.
4. **Report:** Formulate and develop a prioritized report for the Legislative Budget Board and state leadership by October 1, 2026.

DIR and TXCC determine a project's prioritization based on agencies' responses to the PCLS project questionnaire, which includes relevant sections of the biennial Information Resources Deployment Review (IRDR) and the Application Portfolio Management (APM) assessment of the business applications associated with each PCLS project.

DIR and TXCC instructed agencies to select only one project type for improved standardization of project comparisons.

Cybersecurity projects must possess at least one of the following criteria:

The project's primary purpose improves the organization's cybersecurity or enhances the organization's capability to identify, detect, protect, respond, or recover from cybersecurity threats and vulnerabilities.

The project has clear objectives that will improve the organization's cyber maturity as measured in the biennial information security plan.

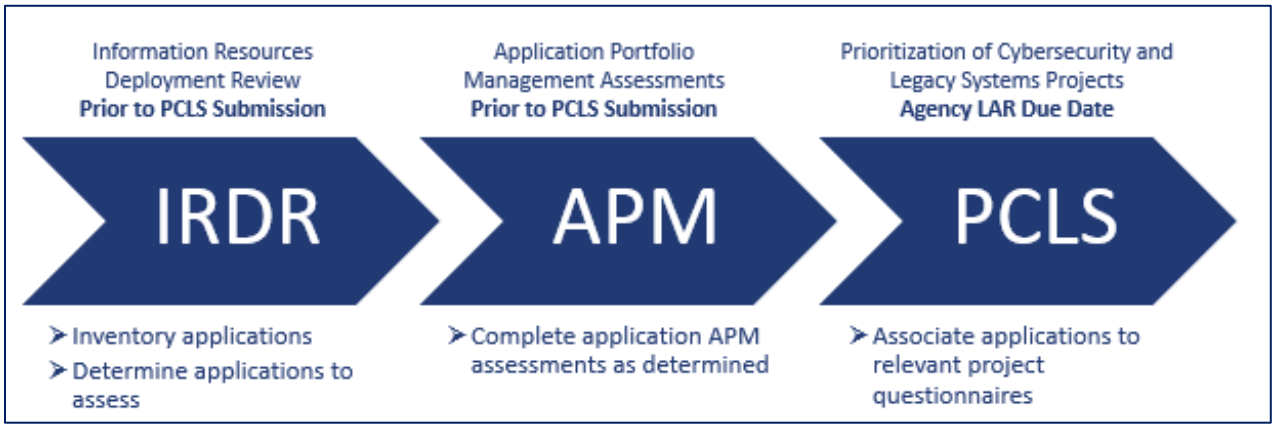
Legacy Modernization projects must possess at least one of the following criteria:

- The project's primary purpose modernizes the agency's legacy systems as defined in Government Code Section 2054.571.
- The project primarily supports continued systems currency by monitoring the agency's application portfolio and information technology infrastructure.

Responding to the PCLS project questionnaire provided agencies the opportunity to demonstrate the risks and potential impacts of not funding cybersecurity or legacy systems modernization projects.

DIR and TXCC provided state agencies with instructions and several sessions of office hours for completing the PCLS questionnaires before their LAR deadlines. DIR and TXCC considered for prioritization those PCLS project questionnaires submitted through SPECTRIM.

**Figure 1 | Legacy Systems Process Flow**




## 2.2 | Scoring and Normalization Methodology

Once state agencies submit their questionnaires, SPECTRIM applies a standardized scoring algorithm to return an Overall Cybersecurity and Legacy Modernization Score for both types of submitted projects. DIR and TXCC adjusted this algorithm to score and most fairly weight both cybersecurity projects and legacy modernization projects.

The purpose of the algorithm found in SPECTRIM is to create a means of assigning a score to the projects. Some questions provide qualitative information only; therefore, not all questions in the questionnaire were used to calculate a project's final score as returned by the SPECTRIM algorithm.

Cybersecurity projects and legacy modernization projects address different risks, so the questionnaire asked different sets of questions depending on project type. Cybersecurity projects and legacy modernization projects were scored differently and had different overall maximum scores and eventual average scores.

## 2.3 | Questionnaire Components

**Error! Reference source not found.** provides an overview of the overall topic of each part of the PCLS questionnaire.

**Table 2 | PCLS Questionnaire Components**

| Section | Content | Project Type |
|---|---|---|
| Part 1: General Information | Project narrative, project type, LAR/funding information, and project characteristics | Both |
| Part 2: Associated Business Applications | Business application information – related applications and indirectly impacted applications | Both |
| Part 3: Cybersecurity Issues and Controls | Cybersecurity issues and cybersecurity controls | Cybersecurity |
| Part 4: Legacy Issues | Modernization benefits, cost-benefit analysis and methodology, modernization scope (servers and software), and system characteristics | Legacy modernization |
| Part 5: Probability Determination | Incentive, control effectiveness, control reliability, threat event frequency, and asset exposure | Cybersecurity |
| Part 6: Impact Determination | Operational impacts, physical impacts, legal impacts, and financial impacts | Cybersecurity |

DIR and TXCC did not assess the methodology, architecture, or solutions of the agency projects.

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