



GOVERNOR
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STATE OF MONTANA

SECTION IT: INFORMATION TECHNOLOGY SUMMARY



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Information Technology Recommendations

Introduction - Information technology budget requests are extracted from the executive budget and presented separately in this section to comply with 17-7-123(1), MCA. Each major information technology related decision package in excess of \$500,000 or \$100,000 and 25 percent of the IT base expenditures of a given agency for the biennium is presented in the following.

Information technology funding requests are presented in two bills in the executive budget. House Bill 2 typically includes fund requests for operations and maintenance and may represent an ongoing cost of state government.

In contrast, new investments in information technology assets are generally appropriated as long-range capital projects in House Bill 10. These projects are investments in state service infrastructure and appropriate to be funded in a long-range program.

The contents of each bill are summarized below.

State Information Technology Service Division Rates - HB 2 Section R

State Information Technology Services Division (SITSD) of the Department of Administration is a proprietary program that manages central computing and telecommunications services for state government. SITSD provides central mainframe and mid-tier computer services, and manages the statewide data network called SummitNet, used by all agencies located throughout the state. SITSD provides local and long distance telephone, video and network services used by all agencies, including the university system. SITSD coordinates electronic government services for the state, and manages the states Internet presence mt.gov. SITSD also manages the security, continuity, and IT project management enterprise offices.

Funding for SITSD comes primarily from charges to state agencies for server and application hosting and data/voice network services. A significant portion of SITSD's budget is Enterprise Services. Funding for Enterprise Services comes from agency charges based on a per-user allocation.

SITSD's rates are based on the Financial Transparency Model (FTM), an activity based budgeting model. Over the past year, SITSD has defined over 200 services, allocated costs and staff time to each service, and estimated units of service provided to each agency. Rates are based on a detailed allocation of expenditures and staff time to each service. SITSD also implemented a staff time tracking system to refine the accuracy of staff time allocation. For a wide variety of services agencies will have the choice of using the service or altering the units consumed. SITSD management will have to closely monitor rates and the underlying costs to ensure a service remains competitive. Each agency's budget includes their anticipated consumption of SITSD services valued at the proposed detailed rates. A detailed presentation of the SITSD budget can be found on page P-100 of Section P of the Executive Budget.

House Bill 2 Information Technology Change Packages

Table IT-1 shows the decision packages included in the Executive Budget.

Table IT-1 Information Technology Projects in HB 2						
Agency	Change Package	General Fund	State Special Revenue	Federal Special Revenue	Other Funds	Total Funds
LEG	CP 2020001 LSD Cyclical & Operational Adjustments	\$ 967,419	\$ (275,472)			\$ 691,947
DOA	CP 700701 SITSD Present Law Increases				\$4,938,749	\$ 4,938,749
DOLI	CP 505003 Professional IT Consulting Sevices		\$ 664,550			\$ 664,550
DPHHS	CP 909004 Contractual Adjustments	\$ 320,486	\$ 23,633	\$ 540,960		\$ 885,079
DPHHS	CP 909005 CHIMES System Operations	\$ 659,904				\$ 659,904
DPHHS	CP 909012 EBT Outsourcing	\$ (390,052)		\$ (468,148)		\$ (858,200)
DPHHS	CP 12102 MED admin MMIS Contract	\$ 338,479		\$ 413,481		\$ 751,960

Note: The DOA proposal is non-appropriated proprietary funds which are a part of the Executive Budget by not included in HB 2.

Section A: General Government

Legislative Branch

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2016	\$575,133	\$564,470
FY 2017	\$116,814	\$402,949

PL - 2020001 - LSD Cyclical & Operational Adjustments –

This proposal addresses increases related to several functions: 1) Contracted services to produce, broadcast, and stream the Legislature during session and the interim (TVMT), a general fund increase of \$199,110; 2) Increased costs to print the Montana Codes Annotated (all state special revenue) in FY 2016 of \$15,541, with a reduction in FY 2017 of \$305,255 related to the production and publication of the codes; 3) Increased costs related to supporting the legislative session in the second year of the biennium. Such costs include temporary staff support of House and Senate secretaries, contracted services for support of the LAWS system, session network buildup, and computer-related assistance to legislators. These costs represent a general fund increase of \$222,220; and 4) Other information technology related increases include replacement of declining hardware and software, and information

technology projects to improve functionality and security of the legislative branch's information technology environment to support the functions of the branch, a general fund increase of \$596,688. Other operations include a general fund decrease of \$36,361.

Department of Administration

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2016	\$1,347,822	\$0
FY 2017	\$3,590,927	\$0

PL - 700701 – SITSD Present Law Increases –

SITSD is requesting present law adjustments to fund operating expenditures. These adjustments include increases in annual renewals for software and hardware maintenance contracts and increased monthly communications expenses.

Department of Labor and Industry

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2016	\$331,550	\$0
FY 2017	\$333,000	\$0

PL - 505003 – Professional IT Consulting Services –

Business Standards Division requests an appropriation for IT consulting services to provide enhancements to its database for the Professional Licensing & Board Management Bureaus and the Building Codes Bureau. Building Codes requests \$56,550 in FY 2016 and \$58,000 in FY 2017. The Professional Licensing & Board Management Bureaus request \$275,000 in each year of the biennium. The division will utilize informational technology consulting services both internally from the department's Technology Services Division as well as from external contractors in order to procure the best prices and best results for upgrades and enhancements needed to improve and build upon the capabilities of the division's database.

Section B: Public Health and Human Services

Department of Public Health and Human Services

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2016	\$308,899	\$111,852
FY 2017	\$576,180	\$208,634

PL - 909004 – Contractual Adjustments –

This present law adjustment requests \$885,079 total funds over the biennium, including general fund of \$111,852 in FY 2016 and \$208,634 in FY 2017 to maintain existing services for the Project Management bureau in the Technology Services Division. The increase is necessary to provide ongoing maintenance and operations support of the agency's large eligibility determination, case management, and data systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2016	\$329,952	\$329,952
FY 2017	\$329,952	\$329,952

PL - 909005 – Chimes System Operations –

This present law adjustment requests \$329,952 in general fund in each year of the biennium to maintain existing services for the Project Management Bureau in the Technology Services Division. The increase restores one-time-only funding that is necessary to provide ongoing maintenance and operations support of the agency's eligibility determination systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2016	\$0	\$0
FY 2017	(\$858,200)	(\$390,052)

PL - 909012 – EBT Outsourcing –

This present law adjustment requests a reduction of \$858,200 in total funds in FY 2017, including a general fund reduction of \$390,052 to reduce base funding for the Montana Access EBT program in the Technology Services Division. This request was made during the 2013 legislative session; however the vendor that the outsourcing was awarded to terminated its EBT services prior to transfer of the process, resulting in the need to maintain the current Montana Access system for an additional two years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2016	\$146,503	\$48,251
FY 2017	\$605,457	\$290,228

PL - 1212002 – Med Admin MMIS Contract –

This present law adjustment requests \$751,960 total funds over the biennium in order to maintain existing services for the administration of contracts in the Medicaid and Health Services branch. These services are funded at a blended rate of 35% general fund and 65% federal fund match. The biennial general fund request is \$338,479.

Long-Range Information Technology

HB 10

The Long-range Information Technology Program (LRITP) is a program developed to fund large information technology (IT) projects. The LRITP consolidates large IT investments in one appropriation bill and defines those investments as capital projects. All projects included in the LRITP bill are overseen by the state chief information officer (CIO) within the Department of Administration (DOA).

The consolidation of major IT projects is intended to achieve several goals. First, IT projects are complex and require significant and time-intensive planning, design, and management efforts, and by designating the projects as “capital projects,” the appropriation continues until completion of the project as statutorily authorized in 2-17-560, MCA. Second, centralized project oversight is expected to enhance project management and foster stronger partnerships between agencies and the state CIO. Finally, having major projects in one piece of legislation is anticipated to provide the legislature with a broad vision of the state IT program and related investments.

The Executive Budget includes the following recommendations for new appropriations for long range information technology projects for the 2017 Biennium.

Table IT-2 shows new appropriations to LRIT projects for the 2017 Biennium. Brief descriptions of the projects follow the table.

Table IT-2 Long Range Information Technology Projects					
Dept	Project	GF	SSR	FSR	Total
DOA	Network Equipment and Maintenance	\$ 5,589,000			\$ 5,589,000
DOA	Data Protection Initiative	\$ 1,887,000			\$ 1,887,000
DOA	Statewide Public Safety Communications	\$ 2,000,000			\$ 2,000,000
COR	Security System Replacements/Assessments	\$ 1,200,000			\$ 1,200,000
JUD	Court Technology Improvement Program	\$ 490,000			\$ 490,000
DOJ	Court Data Exchange Enhancement	\$ 834,000			\$ 834,000
	Program and Project Mgmt/Risk-based				
MDT	Asset Mgmt and Linear Ref System		\$ 650,000	\$ 4,350,000	\$ 5,000,000
MDT	Financial Management Suite			\$ 3,000,000	\$ 3,000,000
Total		\$ 12,000,000	\$ 650,000	\$ 7,350,000	\$ 20,000,000

Department of Administration – Network Equipment Upgrades and Maintenance

A major portion of this funding request will support equipment upgrades to the state’s network, SummitNet, which provides voice, video and data services to 22,000 devices and 11,500 state employees in 600 offices across the state. This equipment has reached end-of-life/end-of-support and is no longer supported by vendors. Replacing and upgrading this equipment will allow the state to maintain existing network services and, in some cases, add additional bandwidth to support agencies’ requests to enhance existing – or implement new – information technology applications. Equipment upgrades will also increase network security and disaster recovery services.

Department of Administration – Data Protection Initiative

The Department of Administration is requests \$1.9 million to mitigate security gaps in State of Montana's IT systems. This support of an enterprise security program is designed to help prevent hackers from gaining access to Montanans' confidential information. State and local governmental entities have been primary targets for the hacker community over the last several years. Targeted attacks have increased significantly over the last two years with incidents taking place that affect millions of citizens and cost governments millions of dollars nationwide. This initiative will establish an enterprise security program to create consistency, align resources, coordinate situational awareness and incident response, and provide adequate information security for all agencies. This initiative will also provide web firewall services for all state web sites as well as some physical security enhancements for equipment located at remote sites.

Department of Administration – Statewide Public Safety Communications – Equipment Replacement and Upgrade

The Statewide Public Safety Communications System is an industry standards (APCO P25) compliant, trunked land mobile radio system. The system provides operational, tactical, and interoperable communications for federal, state and local agencies. The system currently has approximately 6,000 federal, state, and local subscribers. The system's initial deployment began in 2003. This request is to replace or upgrade radio and link sub-system components that are at end-of-life and at risk of failure. Site equipment that requires replacement or upgrade includes radio base stations/repeaters, electrical equipment (rectifiers/inverters), antenna combiners, and microwave components.

Department of Corrections – Security System Replacements/Assessments

The department has a wide variety of security systems that are at the end of life and need to be replaced, need to be updated, or require new installations. This funding request will address aging perimeter security systems at Montana State Prison.

Montana Supreme Court - Court Technology Improvement Program – Interactive Video

This proposal seeks funding to continue the Judicial Branch's efforts to modernize Montana courts. Modern technology included in the request are items such as upgrading interactive video equipment to replace existing six- to eight-year-old failing equipment; implementing new audio technology in courts that have none, and upgrading technology that is outdated or at end of life. This request would also implement new e-filing technology such as scanners, mobile devices, and public workstations for filers that do not have the ability to e-file elsewhere; mobile device access to case information from anywhere with internet connectivity, and public access workstations for access to records at individual court locations.

Department of Justice – Court Data Exchange Enhancement (CDEE)

This request is for the Department of Justice to convert two existing data exchanges to be compatible with the Full Court Enterprise Case Management System which will be upgraded by the Office of Court Administrator (OCA) using grant funding; and implement three new exchanges for protection orders, arrest/bench warrants, and no contact orders as required by the OCA grant.

Department of Transportation – Program and Project Management/ Risk-based Asset Management and Linear Referencing System

This request seeks funding to replace three systems: Program and Project Management System (PPMS); Risk-based Asset Management (RBAM); and Linear Referencing System (LRS). PPMS and LRS will replace obsolete technology and RBAM will be developed to meet new federal requirements. They are packaged in one request as the three systems are uniquely and comprehensively connected. A concurrent replacement is a logical approach as many of the system requirements are dependent on data and information in the other systems. The LRS forms the core of the other two systems and should be developed with those systems requirements in mind.

Department of Transportation – Financial Management Suite

This proposal seeks funding to replace various stand-alone software solutions in place today with a robust financial management system that is fully integrated with other MDT systems. The new system would provide essential information to managers for the critical functions of budget development, personal services projections, personal services allocation, and project cost scheduling.