

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	9.50	9.50	7.00	7.00	9.50	7.00	(2.50)	(26.32%)
Personal Services	585,595	544,641	620,011	623,188	1,130,236	1,243,199	112,963	9.99%
Operating Expenses	174,109	240,701	1,151,652	1,150,845	414,810	2,302,497	1,887,687	455.07%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Grants	0	0	0	0	0	0	0	n/a
Transfers	761,110	1,160,559	0	0	1,921,669	0	(1,921,669)	(100.00%)
Total Costs	\$1,520,814	\$1,945,901	\$1,771,663	\$1,774,033	\$3,466,715	\$3,545,696	\$78,981	2.28%
General Fund	404,563	422,323	458,554	460,823	826,886	919,377	92,491	11.19%
State Special	1,116,251	1,523,578	383,109	383,210	2,639,829	766,319	(1,873,510)	(70.97%)
Federal Special	0	0	930,000	930,000	0	1,860,000	1,860,000	n/a
Total Funds	\$1,520,814	\$1,945,901	\$1,771,663	\$1,774,033	\$3,466,715	\$3,545,696	\$78,981	2.28%

Program Description

State Information Technology Services Division (SITSD) 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 SummitNet, used by all agencies located throughout the state. SITSD provides local and long distance telephone network services used by all agencies, including the university system, and manages the state's video network. SITSD coordinates electronic government services for the state, and manages the state's Internet presence mt.gov. SITSD also manages the Security and Continuity and Information Technology (IT) PM Enterprise Offices.

The division manages the Public Safety Services Office that includes the state's 911 and public safety radio programs. These programs are funded by state special and federal special funds and general fund.

Through the office of the Chief Information Officer, the division develops the Statewide Strategic IT Plan, coordinates information technology for the state, and reviews and approves IT acquisitions. The division also provides statewide IT training, and establishes hardware, software, and consulting services contracts used by agencies.

Program Highlights

State Information Technology Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The majority of the funding in this program is proprietary funds ◆ State special revenues and transfers are reduced due to passage and approval of HB 38, which transferred responsibilities for the Montana Land Information Act to the Montana State Library (MSL). In FY 2012 the State Information Technology Division transferred funding to MSL but statutorily was responsible for the program

Program Narrative

State special revenues decline significantly in the program due to the legislature transferring responsibilities and funding for the Montana Land Information Act, including 2.50 FTE, to the Montana State Library as part of HB 38. This reduced funding in this program by \$1.9 million over the biennium.

In addition, the legislature increased federal funding authority \$1.9 million for a FirstNet Planning Grant included in the Middle Class Tax Relief and Job Creation Act of 2012. The funding supports the establishment of a nationwide interoperable public safety communications network to resolve the communications challenges faced by emergency responders. The funding is to be used to identify, plan, and implement a secure, reliable, and dedicated network for emergency responders to communicate during an emergency.

Other increases for the 2015 biennium were approved as part of the statewide present law adjustments including:

- \$257,000 for personal service adjustments
- \$257,000 for fixed costs adjustments

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Administration Funding by Source of Authority 2015 Biennium Budget - State Information Technology Division							
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$919,377	\$0	\$0	\$919,377	0.9%		
State Special Total	\$766,319	\$0	\$27,451,730	\$28,218,049	26.4%		
02105 Basic 9-1-1 Emrgncy Phone Prog	\$0	\$0	\$6,572,348	\$6,572,348	6.1%	10-4-301	Direct
02397 Enhanced 9-1-1 Emerg Tel Pgm	\$0	\$0	\$6,559,230	\$6,559,230	6.1%	10-4-301	Direct
02594 Basic 911 Emerg Phone Program	\$766,319	\$0	\$0	\$766,319	0.7%		
02993 Wireless 911	\$0	\$0	\$6,582,980	\$6,582,980	6.2%	10-4-301	Direct
02994 Wireless 911 Providers	\$0	\$0	\$7,737,172	\$7,737,172	7.2%	10-4-301	Direct
Federal Special Total	\$1,860,000	\$0	\$0	\$1,860,000	1.7%		
03485 Firstnet Planning Grant	\$1,860,000	\$0	\$0	\$1,860,000	1.7%		
Proprietary Total	\$0	\$75,904,410	\$0	\$75,904,410	71.0%		
06522 Isd Proprietary	\$0	\$75,904,410	\$0	\$75,904,410	71.0%		
Total All Funds	\$3,545,696	\$75,904,410	\$27,451,730	\$106,901,836	100.0%		
Percent - Total All Sources	3.3%	71.0%	25.7%				

House Bill 2 Funding

General fund provides funding for the administration of the Public Safety Services Office. State special revenues in the program provide support for the administrative costs related to 911 services. Fees are imposed on a per month per access line basis for each telephone subscriber in the state using either land lines or wireless services. Federal funds are provided to support a federal FirstNet Planning Grant.

Statutory Appropriations

The majority of the state special revenue funding in the division is statutorily appropriated for 911 services. 911 surcharges are collected by the state and statutorily appropriated for distribution to counties and telecommunications providers.

Proprietary Funding

The majority of the office functions are funded with proprietary funds. These funds are considered and approved as rates charged to other agencies and divisions within this agency and are discussed in the "Proprietary Rates" section of the narrative.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	404,563	404,563	809,126	88.01%	1,520,814	1,520,814	3,041,628	85.78%
Statewide PL Adjustments	49,399	51,722	101,121	11.00%	255,879	258,080	513,959	14.50%
Other PL Adjustments	4,592	4,538	9,130	0.99%	8,582	8,481	17,063	0.48%
New Proposals	0	0	0	0.00%	(13,612)	(13,342)	(26,954)	(0.76%)
Total Budget	\$458,554	\$460,823	\$919,377		\$1,771,663	\$1,774,033	\$3,545,696	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					156,607					159,635
Vacancy Savings					(29,689)					(29,810)
Inflation/Deflation					(86)					(59)
Fixed Costs					129,047					128,314
Total Statewide Present Law Adjustments		\$49,399	\$206,480	\$0	\$255,879		\$51,722	\$206,358	\$0	\$258,080
DP 50 - Initial Motion to FY 2012 Base	0.00	(49,399)	(206,480)	0	(255,879)	0.00	(51,722)	(206,358)	0	(258,080)
DP 51 - Adjustment for Statewide Personal Services	0.00	(45,458)	172,376	0	126,918	0.00	(43,153)	172,978	0	129,825
DP 52 - Adjustment for Statewide Operations	0.00	94,857	34,104	0	128,961	0.00	94,875	33,380	0	128,255
DP 102 - Allocate Department Indirect/Admin Costs	0.00	4,592	3,990	0	8,582	0.00	4,538	3,943	0	8,481
Total Other Present Law Adjustments	0.00	\$4,592	\$3,990	\$0	\$8,582	0.00	\$4,538	\$3,943	\$0	\$8,481
Grand Total All Present Law Adjustments	0.00	\$53,991	\$210,470	\$0	\$264,461	0.00	\$56,260	\$210,301	\$0	\$266,561

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 102 - Allocate Department Indirect/Admin Costs - The legislature funded the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 703 - Montana Land Information Act - Housekeeping (HB 38)											
07	(2.50)	0	(943,612)	0	(943,612)	(2.50)	0	(943,342)	0	(943,342)	
DP 711 - FirstNet Planning Grant - (Biennial/Restricted)											
07	0.00	0	0	930,000	930,000	0.00	0	0	930,000	930,000	
Total	(2.50)	\$0	(\$943,612)	\$930,000	(\$13,612)	(2.50)	\$0	(\$943,342)	\$930,000	(\$13,342)	

DP 703 - Montana Land Information Act - Housekeeping (HB 38) - The legislature approved reducing 2.50 permanent FTE and eliminating \$1.8 million in state special revenue in the 2015 biennium. The legislature confirmed a recommendation prepared by the Geographic Information System (GIS) Task Force to finalize the transfer of the Base Map Service Center and administration of the Montana Land Information Act from the Department of Administration to the Montana State Library.

DP 711 - FirstNet Planning Grant - (Biennial/Restricted) - The legislature provided \$1.86 million in federal special revenue to provide support for the FirstNet Planning Grant Program. The grant supports the planning process for a specific frequency for emergency responders. The legislature's intent is that the state's FirstNet planning efforts include substantive participation from private telecommunication network providers, both wireline and wireless, and that the developed plan seeks to maximize the use of existing private telecommunications infrastructure.

Proprietary Rates*Program Description*

The State Information Technology Services Division manages information technology services for state government. Responsibilities of the division include:

- Hosting services, which includes servers, storage, web sites, applications, and enterprise email
- Systems development services incorporating development for applications, web applications, and GIS application development
- Communications and connectivity services for local and long-distance voice services, design and development of telephone equipment and voice applications, Internet access, data network services, and video conferencing services
- Operations support providing for imaging scanning, content management, application printing, systems operations, tape management, local area network (LAN) administration
- Enterprise services that include the following:
 - Statewide Continuity Planning
 - Information System Risk Management
 - Enterprise Security and Computing Systems Monitoring
- Montana Information Technology Act (MITA) oversight of IT activities:
 - IT strategic planning and agency IT plan approval
 - IT policy, standards and procedures
- State Chief Information Officer and Geographic Information Officer activities, Enterprise IT Councils, Advisory Groups and Conference Support, Enterprise-wide IT procurement and contract management, IT training coordination, mt.gov and MINE portal development and website hosting
- Enterprise application hosting - Citrix and Oracle
- Public Safety Services:
 - 9-1-1 program
 - Interoperability Montana (IM) public safety radio program
 - Montana broadband program
- State of MT Data Center

Expenses

Significant costs for the program are for:

- Personal services costs of \$29.0 million for 188.50 FTE
- Operating costs of \$43.55 million including:
 - \$13.6 million in software programs
 - \$2.3 million in IT vendor services
 - \$3.4 million in computer hardware
 - \$7.6 million in converged traffic
 - \$3.0 million in computer maintenance
- Equipment costs for computers and terminals \$3.3 million

Revenues

Funding for SITSD is from charges to state agencies through the fixed cost process for server and application hosting, and data/network services. The majority of SITSD's budget is funded through proprietary funds.

Budget authority to pay the SITSD allocation is a fixed cost item in each agency's budget. The statewide fixed cost in the budget for SITSD is \$1.2 million higher in FY 2014 and \$1.5 million higher in FY 2015. A portion of the increase is related to using the billed invoice rates, with the remaining increase due to projected increases in services or the rates charged by SITSD for the rates.

The figure shows costs for SITSD services budgeted for state agencies.

SITSD uses a methodology to identify and allocate the full cost of each separate service it offers to the users of that service. This is known as the Full-Cost Transparency Model (FTM) and has been in place since the 2011 biennium. During FY 2012 SITSD defined about 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. Because SITSD continues to refine the model for the services and the costs to provide them, the allocation of costs to the various state agencies is changed from those allocated in the 2013 biennium.

Proprietary Rates

For the 2015 biennium the legislature approved SITSD charging various rates in order to maintain a 30-day working capital. By approving the working capital rate the legislature allows SITSD to charge establish the rates for its customers. SITSD is allowed to set and change the level of the rates throughout the interim.

Department of Administration State Information Technology Services Division State Agency Costs			
State Agency	FY 2014	FY 2015	2015 Biennium
Legislative Branch	\$508,039	\$681,232	\$1,189,271
Consumer Counsel	17,681	17,681	35,362
Judicial Branch	1,789,096	1,789,096	3,578,192
Governor's Office	196,326	196,326	392,652
Secretary of State's Office	339,851	339,851	679,702
Commissioner of Political Practices	74,040	74,040	148,080
State Auditor's Office	249,880	250,610	500,490
Office of Public Instruction	424,291	424,291	848,582
Department of Justice	3,715,779	3,753,111	7,468,890
Board of Crime Control	78,535	78,535	157,070
Public Service Commission	62,980	62,980	125,960
Board of Public Education	13,115	13,115	26,230
Commissioner of Higher Education	72,363	72,363	144,726
Montana University Systems	884,361	884,361	1,768,722
School for the Deaf and Blind	37,294	37,294	74,588
Montana Arts Council	36,819	36,819	73,638
Montana Library Commission	352,374	352,374	704,748
Montana Historical Society	157,641	157,641	315,282
Department of Fish, Wildlife, and Parks	1,355,555	1,355,555	2,711,110
Department of Environmental Quality	1,120,594	1,120,594	2,241,188
Department of Transportation	4,068,389	3,949,492	8,017,881
Department of Livestock	187,626	187,626	375,252
Department of Natural Resources and Conservation	1,550,822	1,550,822	3,101,644
Department of Revenue	2,477,344	2,477,344	4,954,688
Department of Administration	2,862,260	2,862,260	5,724,520
Office of the Public Defender	657,284	657,284	1,314,568
Montana State Fund	411,945	411,945	823,890
Montana Public Employee Retirement System	333,169	333,169	666,338
Teachers' Retirement System	57,384	57,384	114,768
Department of Agriculture	254,153	254,153	508,306
Department of Corrections	1,717,856	1,717,856	3,435,712
Department of Commerce	568,801	568,801	1,137,602
Department of Labor and Industry	3,693,184	3,872,586	7,565,770
Department of Military Affairs	121,553	121,553	243,106
Department of Public Health and Human Services	7,583,631	7,557,176	15,140,807
	\$38,032,015	38,277,320	76,309,335