

### 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	59.60	59.60	59.60	59.60	59.60	59.60	0.00	0.00%
Personal Services	4,143,213	4,045,149	4,390,796	4,397,018	8,188,362	8,787,814	599,452	7.32%
Operating Expenses	27,925,094	19,090,582	31,394,978	31,046,908	47,015,676	62,441,886	15,426,210	32.81%
Equipment & Intangible Assets	209,206	100,910	209,206	209,206	310,116	418,412	108,296	34.92%
Debt Service	91,266	143,197	91,266	91,266	234,463	182,532	(51,931)	(22.15%)
<b>Total Costs</b>	<b>\$32,368,779</b>	<b>\$23,379,838</b>	<b>\$36,086,246</b>	<b>\$35,744,398</b>	<b>\$55,748,617</b>	<b>\$71,830,644</b>	<b>\$16,082,027</b>	<b>28.85%</b>
General Fund	11,568,480	8,940,538	11,882,682	11,530,971	20,509,018	23,413,653	2,904,635	14.16%
State Special	1,170,417	1,293,420	1,294,955	1,298,197	2,463,837	2,593,152	129,315	5.25%
Federal Special	19,629,882	13,145,880	22,908,609	22,915,230	32,775,762	45,823,839	13,048,077	39.81%
<b>Total Funds</b>	<b>\$32,368,779</b>	<b>\$23,379,838</b>	<b>\$36,086,246</b>	<b>\$35,744,398</b>	<b>\$55,748,617</b>	<b>\$71,830,644</b>	<b>\$16,082,027</b>	<b>28.85%</b>

### Program Description

The Technology Services Division (TSD) is comprised of three bureaus that are responsible for the management, implementation and operations of information technology (IT) systems and infrastructure that directly support department programs. IT services include programming, help desk functions, database support, web development, enterprise architecture, project management, IT contract management, data security, computer, and network services.

The systems under TSD oversight are referenced later in this write-up and are also discussed in the agency's Information Technology Plan. The plan can be viewed at:

[http://itsd.mt.gov/content/stratplan/agencyplans2012/DPHHS/2012\\_DPHHS\\_IT\\_Plan.pdf](http://itsd.mt.gov/content/stratplan/agencyplans2012/DPHHS/2012_DPHHS_IT_Plan.pdf)

### Program Highlights

<b>Technology Services Division Major Budget Highlights</b>	
◆	The legislature increased total funding for the division by about 29.0% over the 2013 biennium primarily due to: <ul style="list-style-type: none"> <li>• About \$7.0 million total funds (\$0.6 million general fund) for annualization of maintenance and project management costs for eligibility systems</li> <li>• \$350,000 total funds to complete the planning process for the Montana Automated Child Welfare Information System (MACWIS)</li> <li>• The impact of increases totaling over \$11.0 million total funds (\$3.0 general fund) made during the interim by the Governor</li> </ul>

### Program Narrative

The primary functions of TSD are to provide support in operational and technological areas and manage the DPHHS information technology (IT) projects. It is the information technology center for the agency with responsibilities and projects linked to both HB 2 and long-range information technology (LRIT) or other legislative action. This responsibility is reflected in the Program Budget Comparison table at the top of the page where the 2015 biennium legislative appropriation is \$62.4 million total funds for operating expenses out of a total appropriation of \$71.8 million total funds.

As shown in the above budget comparison table, the legislative appropriation for the 2015 biennium is about a 29.0% increase over the 2013 biennium with nearly 70.0% of the increase in operating costs and equipment congruent with the division's responsibility. However, the biennium increase of \$15.4 million in operating costs shown in the "Biennium Change" column reflects executive action during the interim as well as legislative funding increases.

Actual increases made by the legislature for the 2015 biennium include:

- \$6.7 million total funds (about \$280,000 general fund) for all present law adjustments. Nearly all of this increase is for the eligibility system serving CHIMES Medicaid, Healthy Montana Kids, and the TEAMS system supporting public assistance programs including SNAP and TANF
- \$350,000 one-time-only funding of state special and federal special revenue to complete the planning process for the MACWIS system

There is additional information in the present law and new proposal section later in this write-up.

While the legislative increases for operations are about \$7.0 million total funds, the balance of the \$15.4 million increase in operating expenses is due to a transfer made during the interim by the Governor with unused funding appropriated by the 2011 Legislature to the Health Resources Division for benefits. This transfer increased the division's FY 2012 base year operating costs by nearly \$11.0 million total funds over the legislative appropriation. However, because budgets are built on the base year expenditures, FY 2013 does not show the same increase. The transfer into the base year is apparent in the program budget comparison table when the operating expenses for FY 2012 and FY 2013 are compared and again when the 2013 biennium amount is compared to the 2015 biennium because the larger base year amount was used to develop the budget for the 2015 biennium.

#### *IT Projects*

The legislature also addressed the IT projects that TSD manages, including over \$185.5 million presently included in the HB 2 base. The following table shows the combined total of the HB 2 projects and the potential long-range funding in the 2017 biennium of nearly \$25.0 million for MACWIS at over \$210.4 million total funds. About \$177.0 million of that amount is for contracted services ranging from design, development, and implementation of system builds to general maintenance and operations of ongoing systems. The table shows the projects for the 2015 biennium.

#### MACWIS

MACWIS was initially funded by the legislature in HB 4 with LRIT funding during the 2007 May Special Session, but became part of the Governor's 17-7-140 reductions in the 2011 session. As noted in the highlight table, the legislature opted to fund the planning process for MACWIS with a \$350,000 one-time-only, biennial appropriation. The goal was to complete the planning process in the 2015 biennium and bring the implementation of the project closer to the original legislative intent for replacement and redesign of the Child and Adult Protective Services System (CAPS). CAPS is used in the monitoring of foster care cases, adoption cases, payment for service to providers, and reporting. The following table shows the remaining total for MACWIS.

#### CHIMES-EA

The second line on the following table refers to the Combined Healthcare Information and Montana Eligibility System (CHIMES-EA) upgrade and replacement, which went "live" November 1, 2012.

The Legislature received testimony during the session that the system "go live" was not without issues. While it is acknowledged that improvements are being made, as of this writing, reports continue indicating that improvements are needed related to client services, tracking and reporting. Other issues center on staff workload due to high caseloads and the need for training on the system "fixes". The following report was presented to the Joint Appropriations Subcommittee on Health and Human Services during the session.

<http://www.dphhs.mt.gov/CHIMES-EAReportToJointAppropsCommittee.pdf>

Legislative committees will receive updates on this system and the other long-range projects during the interim.

IT Projects in the DPHHS Base Budget for the 2015 Biennium						
IT Projects	General Fund	State Special		Federal Funds	Total	Amount for Contracted Services
		Revenue				
MMIS Replacement *	\$9,321,976	\$0		\$63,392,347	\$72,714,323	\$61,944,043
CHIMES SNAP TANF EA & SFSL *	17,818,259	0		19,009,330	36,827,589	29,689,946
MMIS Fiscal Agency Contract	6,126,314	6,641		12,107,242	18,240,197	18,240,197
CHIMES Medicaid / HMK *	3,839,001	359,919		10,701,442	14,900,362	13,394,880
Affordable Care Act Eligibility System *	851,334	0		7,662,006	8,513,340	8,513,340
EBT Outsourcing	1,564,477	103,117		4,788,694	6,456,288	5,100,000
SEARCHS Maintenance & Operations	1,450,670	435,780		3,661,936	5,548,386	2,971,694
TEAMS Maintenance & Support	1,932,464	99,860		2,712,121	4,744,445	2,211,739
CAPS Maintenance & Operations	2,251,550	0		1,185,471	3,437,021	2,498,695
MT Access EBT	1,448,058	0		1,711,376	3,159,434	3,159,434
VocRehab Case Management System	0	0		2,600,000	2,600,000	0
CUBS Maintenance & Operations	0	0		2,548,010	2,548,010	2,520,196
CDS/HMIS Maintenance & Operations	0	0		2,240,674	2,240,674	2,218,174
Safety Assessment Mgmt System	747,500	0		747,500	1,495,000	1,404,090
Big Sky Rx Facility Maintenance	0	752,868		0	752,868	752,868
IIS Replacement & Operations	0	0		620,757	620,757	620,757
DDP Subsystem Maintenance & OP	205,209	0		364,182	569,391	569,391
MIDIS - MT Infectious Disease Info.	0	0		129,329	129,329	0
	\$47,556,812	\$1,758,185		\$136,182,417	\$185,497,414	\$155,809,444
<b>Long Range IT</b>		<b>LRIT</b>			<b>Total</b>	
MACWIS (Possible LRIT Request)*	\$0	\$12,439,254		\$12,439,254	\$24,878,508	\$21,189,597
<b>Grand Total</b>					<b>\$210,375,922</b>	<b>\$176,999,041</b>

\* Projects associated with long range funding and system builds 2017 Biennium.  
 Source: MBARS IT Projects: Statewide Summary of Funding by Agency

**Funding**

The following table shows the program funding, by source for the base year and for the 2015 biennium as adopted by the legislature.

Total Operations Services Branch Funding by Source of Authority 2015 Biennium Budget - Technology Services Division							
Funds	HB 2	Non-		Total All Sources	% Total All Funds	MCA Reference	Statutory Category
		Budgeted Proprietary	Statutory Appropriation				
General Fund	\$23,413,653	\$0	\$0	\$23,413,653	32.6%		
State Special Total	\$2,593,152	\$0	\$0	\$2,593,152	3.6%		
02381 02 Indirect Activity Prog 09	\$2,365,652	\$0	\$0	\$2,365,652	3.3%		
02598 Mcde Cost Recovery	\$227,500	\$0	\$0	\$227,500	0.3%		
Federal Special Total	\$45,823,839	\$0	\$0	\$45,823,839	63.8%		
03598 03 Indirect Activity Prog 09	\$45,823,839	\$0	\$0	\$45,823,839	63.8%		
Total All Funds	\$71,830,644	\$0	\$0	\$71,830,644	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

All HB 2 categories are funded through cost allocation using a formula that recognizes the multiple funding sources and required general fund matches for costs that benefit common purposes related to work done by TSD throughout the agency.

The division budget for the 2015 biennium is about \$71.8 million containing about 64.0% from federal sources, 33.0% from the state general fund, and just over 3.0% from state special revenue funds.

### 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	11,568,480	11,568,480	23,136,960	98.82%	32,368,779	32,368,779	64,737,558	90.13%
Statewide PL Adjustments	(55,144)	(63,902)	(119,046)	(0.51%)	(76,245)	(93,556)	(169,801)	(0.24%)
Other PL Adjustments	369,346	26,393	395,739	1.69%	3,618,712	3,294,175	6,912,887	9.62%
New Proposals	0	0	0	0.00%	175,000	175,000	350,000	0.49%
<b>Total Budget</b>	<b>\$11,882,682</b>	<b>\$11,530,971</b>	<b>\$23,413,653</b>		<b>\$36,086,246</b>	<b>\$35,744,398</b>	<b>\$71,830,644</b>	

### 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					352,409					358,886
Vacancy Savings					(179,826)					(180,081)
Inflation/Deflation					6,096					11,167
Fixed Costs					(254,924)					(283,528)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$55,144)</b>	<b>(\$7,826)</b>	<b>(\$13,275)</b>	<b>(\$76,245)</b>		<b>(\$63,902)</b>	<b>(\$9,427)</b>	<b>(\$20,227)</b>	<b>(\$93,556)</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	55,144	7,826	13,275	76,245	0.00	63,902	9,427	20,227	93,556
DP 51 - Adjustment for Statewide Personal Services	0.00	59,158	12,043	101,382	172,583	0.00	61,568	12,532	104,705	178,805
DP 52 - Adjustment for Statewide Operations	0.00	(114,302)	(19,869)	(114,657)	(248,828)	0.00	(125,470)	(21,959)	(124,932)	(272,361)
DP 9001 - Private Lease Adjustment	0.00	14,202	2,825	21,962	38,989	0.00	15,626	3,051	23,915	42,592
DP 9003 - National Electronic Disease Surveillance system	0.00	0	0	64,713	64,713	0.00	0	0	64,616	64,616
DP 9004 - CAPS Maintenance & Operations Annualization	0.00	25,191	0	14,170	39,361	0.00	51,138	0	28,765	79,903
DP 9005 - CCUBS Maintenance & Operations Annualization	0.00	0	0	36,323	36,323	0.00	0	0	73,735	73,735
DP 9006 - CHIMES Medicaid/HMK/TEAMS Syst. - Restricted / OTO	0.00	329,953	15,789	3,093,584	3,439,326	0.00	282,428	20,406	3,434,834	3,737,668
DP 9007 - Montana Access EBT Outsourcing	0.00	0	0	0	0	0.00	(322,799)	0	(381,540)	(704,339)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$369,346</b>	<b>\$18,614</b>	<b>\$3,230,752</b>	<b>\$3,618,712</b>	<b>0.00</b>	<b>\$26,393</b>	<b>\$23,457</b>	<b>\$3,244,325</b>	<b>\$3,294,175</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$314,202</b>	<b>\$10,788</b>	<b>\$3,217,477</b>	<b>\$3,542,467</b>	<b>0.00</b>	<b>(\$37,509)</b>	<b>\$14,030</b>	<b>\$3,224,098</b>	<b>\$3,200,619</b>

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 - The legislature reinstated funding for statewide personal services and vacancy savings.

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

DP 9001 - Private Lease Adjustment - The legislature approved a total fund increase to annualize rent for offices in non-state owned buildings throughout the state.

DP 9003 - National Electronic Disease Surveillance system - The legislature approved \$129,329 federal funding to provide for programming, maintenance, and the associated 1.00 modified FTE for of the National Electronic Disease Surveillance System (NEDS). NEDS is part of the federal National Electronic Disease Surveillance System allowing rapid reporting of disease trends to the Centers for Disease Control and Prevention.

DP 9004 - CAPS Maintenance & Operations Annualization - The legislature approved funding for maintenance and operations of the Child and Adult Protective Services System, which is associated with federal Title IV-E funding (foster care and subsidized adoption) at a matching rate of 64.0% general fund and 36.0% federal funds.

DP 9005 - CCUBS Maintenance & Operations Annualization - The legislature approved a federal fund increase to maintain the maintenance and operations contract for the Child Care Under the Big Sky (CCUBS) System.

DP 9006 - CHIMES Medicaid/HMK/TEAMS Syst. - Restricted / OTO - The legislature provided a restricted, one-time-only increase to annualize costs for the maintenance and operations contract and project management of the eligibility determination systems associated with the CHIMES Medicaid/HMK and TEAMSs systems. Funding was approved with the restriction that it may be used only by the TSD for that purpose.

DP 9007 - Montana Access EBT Outsourcing - The legislature approved a total funds HB 2 reduction of just over \$700,000 in FY 2015 to the operating costs for the Montana Access Electronic Benefits Transfer system including a general fund reduction of just over \$300,000.

**New Proposals**

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 9011 - MACWIS Planning Completion (OTO/Biennial)										
09	0.00	0	113,750	61,250	175,000	0.00	0	113,750	61,250	175,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$113,750</b>	<b>\$61,250</b>	<b>\$175,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$113,750</b>	<b>\$61,250</b>	<b>\$175,000</b>

DP 9011 - MACWIS Planning Completion (OTO/Biennial) - The legislature provided a \$350,000 one-time-only, biennial appropriation of state and federal special revenue to complete the planning process for the Montana Adult and Child Welfare Information System (MACWIS). The funding source is one-time Montana Chemical Dependency Center (MCDC) cost recovery funds that had built up. The appropriation would allow the requirements definition and validation planning process to occur this biennium to bring the MACWIS project closer to the legislative intent.

The legislature also included language shown in the following section.

**Language and Statutory Authority**

The legislature included the following language in HB 2:

“Funding for the CHIMES Medicaid/HMK and TEAMS systems may only be used by the Technology Services Division for the maintenance and operations contract and project management of the eligibility determination systems for CHIMES Medicaid/HMK, Chimes SNAP, CHIMES TANF, and TEAMS systems.”

"The Department of Public Health and Human Services must use the biennial appropriation of \$350,000 in fiscal year

2014 and fiscal year 2015 in the Technology Services Division to complete the planning process for the Montana adult and child welfare information system (MACWIS) including a complete plan for funding the development of the MACWIS system for presentation to the 2015 Legislature."