

CIO Report to the Legislative Finance Committee

June 7, 2008

A. MITA Compliance and Exceptions to Information Technology (IT) Standards, Policies and Statute (2-17-515, MCA)

1. MITA Compliance

No compliance issues to report.

2. Exception Requests

ITSD received a single exception request since February 1, 2008. The Montana Historical Society is requesting an exception to the State Payment Portal Approved Product as it pertains to payment processing. They want to upgrade their Point of Sale and inventory control system by purchasing the ComCash Point of Sale system. This software system is a commercial-off-the-shelf product that can not be modified to use the state payment portal and instead uses Mercury Payment Systems. Using a non-State controlled payment portal raises serious security concerns. The review is in progress.

B. IT Projects (2-17-526, MCA)

Additional detailed information can be found in the IT Portfolio Report and the on individual Project Summary Reports.

1. Completed Projects

Revenue - Real and Personal Property Valuation and Assessment System (PVAS)

The Department of Revenue, Property Assessment Division is replacing five legacy computer systems (MODS, BEVS, CAMA, UAS, and Landisc) with one Real & Personal Property Valuation and Assessment System to be used statewide. All counties are in production with the new system.

2. Active Projects – Green Assessment

Administration – Enterprise System Service Centers (ESSC)

ESSC will construct redundant centers to house data, network and voice operations. Agencies will be encouraged to centralize/consolidate in the new facilities to improve efficiency and effectiveness of services. Miles city was announced as the location of the eastern site. The Helena site will be located near the MDT offices east of the Interstate. Since the project funding in HB4 was passed in the last legislative session, construction costs have increased dramatically. The project team is managing the size and scope of the project to remain within budget.

Health and Human Services - MMIS (Medicaid Management Information System)

MMIS is the Medicaid payment system that houses information related to enrolled providers and eligible Medicaid, CHIP and MHSP clients. The MMIS system adjudicates Medicaid, CHIP and Mental Health claims as well as information related to different payment systems (i.e. RBRVS, OPPS, fee for service). DPHHS has contracted with Fox Systems to complete an analysis of the current MMIS and make recommendations for continuing to use the current system, updating the current system, or total replacing

the MMIS system. Fox's report is due June 30, 2008. DPHHS received \$200,000 in state general fund dollars and is matching the funds with federal funds for a total budget of \$2 million (09/10 funding).

Health and Human Services – ICD-10 (International Classification of Diseases)

This project is dependent on passage of a federal mandate to implement ICD-10 (International Classification of Diseases) coding requirements. If mandated the MMIS system will need to be enhanced to replace the current ICD-9 coding with ICD-10 codes. At this time, there is no required timeframe to implement. HB4 provided \$2.7M in federal matching funds to match \$300,000 in state general funds for a total project budget of \$3 million.

Health and Human Services - Food Stamp Eligibility Determination

The project will replace portions of The Economic Assistance Management System (TEAMS), a 1980s mainframe system used to determine eligibility for Food Stamps, TANF (Temporary Assistance for Needy Families) and Medicaid. Currently many of the eligibility functions are performed manually on spreadsheets outside the system, leaving room for errors, inconsistency, and consuming valuable staff time. Currently TANF and Food Stamp eligibility are determined in TEAMS, with both combined in one system, changes necessary for Federal mandates are more difficult and require more time to complete than if the programs were separated. HB4 provided \$13M of which \$6.5M will be federal dollars. The Food Stamps System Planning Advanced Planning Document (PAPD) was approved by the Food and Nutrition Service (FNS). DPHHS has contracted for a professional project manager and for assistance developing the RFP and procurement documents. The development RFP will be released this summer. Completion of the project is anticipated in 2011, although this estimate is not solid until the final planning is complete.

Health and Human Services - TANF (Temporary Assistance for Needy Families)

TANF is a new system designed to replace portions of The Economic Assistance Management System (TEAMS), a 1980s mainframe system used to determine eligibility for Food Stamps, TANF and Medicaid. TEAMS was later enhanced to include case management functionality for the TANF Program. Currently many of the eligibility and case management functions are performed manually on spreadsheets, leaving room for errors, inconsistency, and consuming valuable time. HB4 provided \$7.6M in general funds to match \$8.6M in federal funds. A 3.5 year development schedule is planned with an anticipated completion in 2011, although this estimate is not solid until the finally planning is complete. The development RFP will be released in the summer.

Health and Human Services - MACWS (CAPS) The Montana Automated Child Welfare System (MACWS) is an automated social services system covering all major program areas of child protection, juvenile corrections and probation. The new CAPS will replace a mainframe system that does not meet mandated reporting requirements which are handled manually today. HB4 provided \$27.1M in funding of which \$15.2M is a general fund match. The CAPS System Planning Advanced Planning Document (PAPD) is being prepared for the Food and Nutrition Service (FNS). The RFP will be released very late in 2008. Development is expected to take about four years. Implementation will be in 2011.

Health and Human Services - CHIMES CHIMES is a Medicaid eligibility system that will replace the Medicaid component of TEAMS, a mainframe based system currently used to determine eligibility for Medicaid, Food Stamp, and TANF programs. CHIMES will incorporate all Medicaid healthcare programs in one central system while moving the legacy system off the state mainframe. CHIMES will be used by county Public Assistance Bureau staff to determine applicant eligibility for approximately 40 Medicaid program coverage groups, as well as the Medicare Savings programs known as QMB, SLMB and Q11. The development of CHIMES will alleviate many existing problems, optimize interface processes, and dramatically improve the delivery of service to nearly 80,000 Montana Medicaid enrollees.

DPHHS has negotiated a \$4.5M time and materials contract with Northrop Grumman for completion of the system.

Justice – MERLIN (Temporary Registration, Driver Control, Driver Licensing)

MERLIN is the continuation of the Team 261 project for improving efficiency and services within the Department of Justice, Motor Vehicle Division. The project is made up of three components: Core Accounting, Titling and Registration, Driver Control and Licensing. MERLIN will implement a customized commercial package over two years. Funding is being managed by splitting off non-essential requirements into separate statements of work (SOW) that will only be implemented as funding becomes available. The agreed-to fixed fee mandatory work is now fully funded. Additional funds have been identified for the first set of non-essential requirements and that work is in progress. Contingency funding will be built by finding other sources of funds (e.g., grants) to help offset existing project costs (e.g., hardware purchases).

Passage of HB90 allows for the expansion of scope (enhancements through another Statement of Work) and increased funding stability (e.g., MVD can use for contingencies as needed). The budget also increased from \$22.5M to \$28.5M with the passage of HB90. The due date has been moved to the end of 2008 due to additional scope and funding increase (HB90).

Justice – Drivers License System

The project will replace the current drivers' license system with an inter-operative system that includes integrated components (hardware, software & card production services) for appointment scheduling, automated driver license knowledge testing, digital driver license and identification card production, imaged-based facial recognition services and a functional method of authenticating supporting documents provided by customers. Goals of this project are to reduce lines at driver services stations from 2 hours to 30 minutes, integration with MERLIN, and compatibility with the Real ID act. Costs for the system will be funded through user fees. The contract with L-1 Solutions was signed in August 2007.

Montana State Fund – Insurance Intelligence

The Insurance Intelligence program is a multi-phase project that will implement a Workers Compensation insurance solution to replace the current Data Warehouse system. The first phase, program initiation, will (a) document business and technical requirements (b) complete an RFP for selecting vendors, software, and hardware (b) build an off-site proof of concept, (c) develop a project budget/charter/plan for the next phase (project 1).

Revenue – Taxpayer Access Point

TAP is phase IV of the IRIS project that will be one of the steps to help provide more accessible electronic filing and Telefile options to taxpayers who need it. TAP will result in more accurate return processing, improve voluntary compliance, improve the quality of services provided to citizens of Montana, and ease the burden of complying with the tax system. FAST Enterprises, LLC will commit to a one year TAP implementation period which will allow taxpayers to start using some functionality as early as the 2008 tax season.

Transportation – Site Manager Construction Manager Implementation

The purpose of the project is to implement the construction management functions within the Trns•port module, Site Manager to various entities inside and outside the department. This will provide MDT with consistent and accurate construction contract administration utilizing national DOT best practices. The team has formed a SiteManager Users of Montana Implementation Team from across the state that meets on a monthly basis to discuss project status and monitor progress and risks. Pilot projects are under way.

Transportation – Site Manager Materials Manager Implementation

The purpose of the project is to implement the materials management functions within the Transport module, Site Manager to various entities inside and outside the department. This will provide MDT with an accurate materials administration utilizing national DOT best practices. The original schedule was very aggressive to meet the goal of implementing the Material and Construction modules simultaneously. The project management team has extended the time frame to be able to maintain quality. They have completed assessing quality versus schedule and have completed a change order to extend the schedule to April 8, 2009 and reduce external costs by \$175,500.

3. Active Projects – Yellow Assessment

No projects have been assessed as yellow.

4. Active Projects - Red (Challenged) Assessment

No projects have been assessed as red.

5. IT Programs

Programs are collections of interrelated smaller projects aimed at a single goal. Programs' budgets, timelines, and scope change through time. The program sponsors often do not exert direct control over the program participants. Classic project management measurements of progress are often inaccurate.

Administration - Interoperability Montana (Public Safety Radio)

This project will create a statewide public safety radio system implemented through a series of regional installations. This project consists of nine consortiums (eight voice radio and one mobile data) led by local emergency response groups with state and federal partnership. All 56 counties and seven Tribal nations are members of a consortium. Representatives from each consortium sit on the Interoperability Montana Project Directors Board. This Board sets priorities for system development and approves individual projects. The project primarily utilizes homeland security funding, with state and local supplements.

The Interoperability Montana Governance Committee (IMGC) June meeting focused on a proposal to formalize governance for the IM Project. The IM project's legal authority will be established in a Memorandum of Understanding between the consortia and state agencies. The Northern Tier consortium and selected Interoperable Montana sites are just starting the implementation of their infrastructure, microwave network, and radio assets. Northern Tier microwave installation and testing is on track with radio trunking to be available to roughly half the sites by the end of this construction season.

Administration - Enhanced 9-1-1 (E9-1-1) Program

The project will implement statewide E911 service, including Phase II wireless capability. Enhanced 911 provides the phone number and location information to the Public Safety Answering Point (PSAP). Phase II wireless provides the phone number, location and GPS coordinates to the PSAP. The project also includes an emergency notification service and a redundant network. Thirty six (36) Public Safety Answering Points (PSAP's) have committed to using the statewide contract for services from Century-Tel. The original goal was 35 participating PSAPs. Thirty one (31) are in production. Nineteen PSAPS continue to use Qwest. The timetable for PSAPs to convert is primarily based on their ability to build highly accurate addressing records. Conversion will extend through September 2008.

Justice - Broker System

This project will create an interface system (broker) for transmitting data and transactions between applications at Justice, Corrections, and the Courts. The Integrated Justice Information System (IJIS)

Broker is an extendable open standards platform. Multiple individual modules will be implemented to serve the data exchange needs of several agencies and bureaus within agencies.

The project has had several scope changes as a result of detailed requirements gathering. This has affected the overall budget and timeline. The IJIS Broker is now in pilot with the first information exchange partner. Individual data exchanges include:

- Driver History (complete)
- Criminal Photo Repository (complete) - see the MT Missing Persons website
- Crime Victim Notification
- Enhanced E2E Fingerprint Processing
- eCitation
- eDisposition

Transportation – Traffic Safety Records

The Traffic Records Strategic Plan Implementation (TRSPI) project's objective is a measurable reduction of traffic accidents and related fatalities. This will be accomplished by linking individual agencies' disparate systems and databases which house crash-related data. The project funding will come primarily from National Highway Traffic Safety Administration (NHTSA) administered grants over the next four years. The estimated future funding available from NHTSA is approximately \$500,000 annually for four years. The first year of the project (2007) was focused on securing grant funding and identifying sources of necessary data. In future years, as funding becomes available, the program will generate separate smaller IT projects that will aggregate and share crash-related data from individual agencies.

C. Policies (5-12-205, MCA)

The Policy and Planning Services Bureau was dissolved during the recent reorganization of ITSD and some personnel were reassigned to the CIO Support Section to take over the CIO Policy Program. Work is progressing on the following policies and procedures.

- Interim Enterprise IT Security Policy
The formal period for comments has closed and the development team has evaluated the feedback and made selected modifications to the draft policy and has submitted the draft policy for legal review.
- Procedure for Establishing and Conducting IT Pilots
The procedure has been updated to reflect ITSD's organizational changes and ITSD's senior management team is evaluating the procedure.
- Decision Appeal Procedure
The DOA Director is reviewing the procedure with DOA staff.
- Internet Filtering Policy
The policy and procedures are being revised.
- Policy for Cellular Devices and Services
It was determined during the annual reviews that this policy requires some minor revision and is currently being worked with the DOA staff.
- IT Project Management Policy
The development team has completed the initial draft of the Project Management Policy and the associated procedure. Further staff and legal review is pending the hire of a new PMO.

The policy development teams are also working on IT planning and IT procurement policies.

D. State Strategic IT Plan (2-17-522)

State Strategic Plan

The State Strategic Plan for Information Technology was delivered to the Governor on March 1, distributed electronically on April 1, and hardcopies are currently being distributed.

Agency IT Plans

Agency IT plans are composed of three parts: the Template, Supplements and MBARS IT Projects module. The Template is the main body of the agency plan that contains goals, objectives, and information on the agency infrastructure. The detailed project level information is contained in Supplements; one for each project or initiative. Supplement budget information is entered in the MBARS IT Projects module. Of the 92 technology initiatives mentioned in agency Templates, ITSD has received 62 Supplements. The remaining 30 Supplements continue to trickle in. ITSD must approve of the agency plans by June 30, 2008.

E. Coordination with OBPP

For several months the OBPP and DOA/ITSD have been working toward the goal of coordinating the IT planning and budgeting cycles. The objective of the revised process is the one-time collection of information required for the evaluation of IT projects. ITSD is preparing an evaluation for OBPP of the IT projects and initiatives described in the Supplements. OBPP will use this information when constructing the Governor's budget proposal.