

FISCAL NOTE

Bill #: HB0376

Title: Establish Governor's Office of Information Technology

Primary

Sponsor: Monica Lindeen

Status: As Introduced

Sponsor signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:		
General Fund	93,295	83,007
Other-Proprietary IT Fund	132,500	128,500
Revenue:		
Other	0	0
Net Impact on General Fund Balance:	(\$93,295)	(\$83,007)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Governor's Office

1. Six FTE would staff the Governor's Office of Information Technology (OIT). The Information Services Division (ISD) of Department of Administration would transfer 4.00 FTE information system specialists. Two FTE, an exempt IT director and an administrative support person, would be newly added to state government.
2. The operating expenses would be \$40,000 the first year and \$36,000 the second. In FY 2002 only, \$4,000 would purchase computers for the new staff. New costs related to attending 8 conferences a year

and costs related to the 17-member quasi-judicial board are included. Operating costs for the 4.00 FTE from ISD would be about \$20,000 per year.

3. The OIT would not be budgeted in the Governor's Office, but rates established for the ISD proprietary fund would pay for the function.

Department of Administration

4. The ISD would transfer 4.00 FTE and related operating expenses to the OIT.
5. The rates established for the ISD proprietary fund would cover the costs of the OIT.
6. ISD proprietary rates will be adjusted in the 2005 biennium to reflect these costs.

University Units and Commissioner of Higher Education

7. The exception language of Section 10 would not require the university units to change their current level of planning and reporting.
8. The "standards for technological compatibility for state agencies" (which includes the university system) for records management equipment or systems used to electronically capture, store, or retrieve public records (as allowed in section 19) will be in conformity with existing federal and state laws regarding university documents.

Department of Justice

9. Since approval of information technology projects is necessary, thorough presentations must be compiled and presented to the OIT. Documentation for department approval would be unsatisfactory for this higher-level scrutiny.
10. This will require 1.00 FTE (Grade 16 @ \$40,845 + \$7,585 operating costs = \$48,430 to provide liaison duties between Information Technology Services Division (ITSD) and the OIT to meet the requirements of the Information Technology Plan, the Information Technology Strategic Plan, to track and maintain project status and its required resources; coordinate budgetary inputs to the division budget and keep the internal policies and procedures updated. Operating costs are \$3,500 (FY 2002 only) for new employee package of desk, chair, computer, table, and file cabinet. On-going operating costs are \$4,085 for computer charges, supplies, phones, travel, rent, and training.
11. This will further require 1.00 FTE (Grade 14 @ \$34,615) + \$6,962 operating costs = \$41,577 as a documentation specialist to provide oversight of the multiple projects that the department implements via ITSD. This includes project reports, strategic planning sessions, project descriptions and project validation. Operating costs are \$3,500 (FY 2002 only) for new employee package of desk, chair, computer, table, and file cabinet. On-going operating costs are \$3,462 for computer charges, supplies, phones, travel, rent, and training.

Legislative Branch

12. The duties added to the Legislative Finance Committee (LFC) in section 33 of the introduced bill would require creation of a subcommittee.
13. The subcommittee would include four members, two from the House of Representatives and two from the Senate.
14. The subcommittee would meet six times in conjunction with LFC meetings, which would add one day to each LFC meeting for the four subcommittee members. Additional costs would include meals, lodging, and salary.
15. The LFC would create a 50-page report, and would print and distribute 200 copies of the report.
16. Appropriation for the subcommittee would be a biennial appropriation in FY 2002 in the Legislative Branch's Fiscal Analysis and Review Program budget in HB 2.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Governor's Office, Program 01		
FTE	6.00	6.00
<u>Expenses:</u>		
Personal Services	296,500	296,500
Operating Expenses	<u>40,000</u>	<u>36,000</u>
	336,500	332,500
<u>Funding:</u>		
Other-ISD Proprietary Fund	336,500	332,500
 Department of Administration, Program 07		
FTE	(4.00)	(4.00)
<u>Expenses:</u>		
Personal Services	(184,000)	(184,000)
Operating Expenses	<u>(20,000)</u>	<u>(20,000)</u>
TOTAL	(204,000)	(204,000)
<u>Funding:</u>		
Other	(204,000)	(204,000)
 <u>Revenue:</u>		
Other-ISD Proprietary Fund	0	0
 <u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other-ISD Proprietary Fund	(132,500)	(128,500)
 Department of Justice		
FTE	2.00	2.00
<u>Expenses:</u>		
Personal Services	75,460	75,460
Operating Expenses	<u>14,547</u>	<u>7,547</u>
TOTAL	90,007	83,007
<u>Funding:</u>		
Other	90,007	83,007

Legislative BranchExpenditures:

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Personal Services	1,463	0
Operating Expenses	<u>1,825</u>	<u>0</u>
TOTAL	\$3,288	\$0

Funding:

General Fund (01)	\$3,288	\$0
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Revenues:

General Fund (01)	0	0
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$93,295)	(\$83,007)
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TECHNICAL NOTES:

1. Section 12 provides this newly created office (OIT) with rule making authority and Section 13 requires establishment of statewide mission, goals, objectives and directions for “state agencies” which are redefined in the bill language to include the university system. Additionally, Section 16 (4) gives OIT the authority to reject, require modification of, or approve agency information technology plans based on the plans conformity with the state information technology strategic plan. Each of these sections may conflict with the constitutional authority of the Board of Regents to manage the Montana University System including planning for and providing information technology services.