

House Bill 640
Opposition Testimony of Jeff Brandt
Before the House State Appropriations Committee

Madam Chair, members of the committee, for the record my name is Jeff Brandt, Acting State Chief Information Office (CIO) and Acting Administrator of the Information Technology Services Division (ITSD), within the Department of Administration.

During the hearing in House State Administration, I provided testimony in opposition to HB640. I identified a number of concerns with this bill and those concerns remain. However, since the bill passed second reading, I am condensing the original list of concerns to just three issues that I feel are important for this committee to be made aware of.

1. The Department of Administration is responsible for contracting for the best possible information technology products and services for the best possible price. Protectionist measures such as these run contrary to the law that requires us to seek broad-based competition and to seek out the best possible IT solutions in the free market. We also think this bill may be attempting to address a problem that doesn't exist. For example, Montana companies are already doing over 90% of the work on our IT term contracts.

2. This bill establishes major new areas of responsibility for us that, in turn, created the need for the additional general funds that are addressed in the fiscal note. In order to fulfill the new responsibilities and make informed decisions in administering the law, we will require the addition of one staff member. We are also mandated to provide an on-line database for use by the Montana IT companies. We estimate it will cost \$25,700 to develop and test this system and then \$6,000 per year to maintain it. The bill does allow us to charge a fee to recover these costs – however, we have no idea how many Montana IT companies will register and pay for the cost of providing this database for them. And because the bill does not contain a provision to set up a state special revenue fund, all of the costs of developing and maintaining this system will be initially borne by the general fund.

3. To assist us in administering the bill if it passes, we request the following amendments:

- a. Clarify that this bill does not apply to hardware or commercial-off-the-shelf software;
- b. Clarify the meaning the "bona fide Montana residency";
- c. Increase the length of time that an IT company would have to register with the Secretary of State's office.