

1 HOUSE BILL NO. 10

2 INTRODUCED BY G. HOLLENBAUGH

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING CERTAIN 2009 INFORMATION TECHNOLOGY
 6 APPROPRIATIONS TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, THE
 7 DEPARTMENT OF REVENUE, AND THE SUPREME COURT; AMENDING SECTION 14, CHAPTER 3,
 8 SPECIAL LAWS OF MAY 2007, SECTION 16, CHAPTER 3, SPECIAL LAWS OF MAY 2007, AND SECTION
 9 2, CHAPTER 435, LAWS OF 2009; TRANSFERRING FUNDS; AND PROVIDING AN IMMEDIATE EFFECTIVE
 10 DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
 14 **Section 1.** Section 14, Chapter 3, Special Laws of May 2007, is amended to read:
 15 **"Section 14. Information technology appropriations and authorizations.** (1) All business application
 16 systems funded under this section must have a plan approved by the chief information officer for the design,
 17 definition, creation, storage, and security of the data associated with the application system. The security aspects
 18 of the plan must address but are not limited to authentication and granting of system privileges, safeguards
 19 against unauthorized access to or disclosure of sensitive information, and, consistent with state records retention
 20 policies, plans for the removal of sensitive data from the system when it is no longer needed. It is the intent of this
 21 subsection that specific consideration be given to the potential sharing of data with other state agencies in the
 22 design, definition, creation, storage, and security of the data.

23 (2) Funds may not be released for the project until the chief information officer and budget director
 24 approve the plans described in subsection (1).

25 (3) The following money is appropriated to the department of administration for the indicated information
 26 technology capital projects:

27 Agency/Project	LRITP	Federal Special Revenue	Total
28 DEPARTMENT OF ADMINISTRATION			
29 Network Upgrades	2,042,000		2,042,000
30 University Research Network	568,000		568,000

1	Public Safety Radio Consortium	4,595,000		4,595,000
2	Public Safety Radio Interoperability	3,500,000		3,500,000
3	DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES			
4	TANF Eligibility System	7,625,000	8,600,000	16,225,000
5	CHIMES System (Completion)	550,000	550,000	1,100,000
6	Food Stamps System	6,535,000	6,535,000	13,070,000
7	Child and Adult Protective Services			
8	(CAPS) System	15,204,000	11,946,000	27,150,000
9		<u>4,930,240</u>	<u>3,873,760</u>	<u>8,804,000</u>
10	ICD 10 (Medicaid Disease Codes)	300,000	2,700,000	3,000,000

11 (4) There is appropriated to the department of administration \$5.618 million from the state general fund
 12 in the 2009 biennium for the operating costs associated with the network upgrades, the university research
 13 network, and the public safety radio consortium projects listed in subsection (3). If this appropriation is not fully
 14 expended for operating costs, then the remaining amount of the appropriation may be used to complete the
 15 network upgrades expansion and public safety radio consortium projects in subsection (3)."

16
 17 **Section 2.** Section 16, Chapter 3, Special Laws of May 2007, is amended to read:

18 **"Section 16. Judicial branch information technology capital projects appropriation.** (1) There is
 19 appropriated to the supreme court ~~\$2,909,470~~ \$2,569,470 from the LRITP for case management improvements
 20 and courtroom technology improvements in the judicial branch.

21 (2) Before encumbering any funds appropriated in subsection (1), the office of court administrator shall
 22 submit a project and security plan, as described in [section 14(1)], to the chief information officer. The chief
 23 information officer shall promptly review the plan and, if necessary, make timely recommendations to the office
 24 of court administrator regarding implementation of the plan.

25 (3) As part of the annual report to the law and justice interim committee and house appropriations
 26 subcommittee required under 3-1-702, the office of court administrator shall include an update on the
 27 implementation of projects funded under this section.

28 (4) There is appropriated to the judicial branch \$1,025,530 from the state general fund in the 2009
 29 biennium for operating costs associated with the judicial branch information technology project in subsection (1).
 30 If this appropriation is not fully expended for operating costs, then the remaining amount of the appropriation may

1 be used to complete the judicial branch project in subsection (1)."

2

3 **Section 3.** Section 2, Chapter 435, Laws of 2009, is amended to read:

4 **"Section 2. Appropriations and authorizations.** (1) All business application systems funded under this
 5 section must have a plan approved by the chief information officer for the design, definition, creation, storage,
 6 and security of the data associated with the application system. The security aspects of the plan must address
 7 but are not limited to authentication and granting of system privileges, safeguards against unauthorized access
 8 to or disclosure of sensitive information, and, consistent with state records retention policies, plans for the removal
 9 of sensitive data from the system when it is no longer needed. It is the intent of this subsection that specific
 10 consideration be given to the potential sharing of data with other state agencies in the design, definition, creation,
 11 storage, and security of the data.

12 (2) Funds may not be released for the project until the chief information officer and budget director
 13 approve the plans described in subsection (1).

14 (3) The following money is appropriated to the department of administration to be used only for the
 15 indicated information technology capital projects:

Agency/Project	LRITP	State Special Revenue	Federal Special Revenue	Total
DEPARTMENT OF REVENUE				
Efficiency through Imaging	3,366,178			3,366,178
	<u>3,242,905</u>			<u>3,242,905</u>
DEPARTMENT OF LABOR AND INDUSTRY				
Building Standards		2,400,000		2,400,000
Licensing Standards		2,250,000		2,250,000
Unemployment Insurance				
Tax Modernization		16,735,567	3,000,000	19,735,567
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES				
Medicaid Management Information				
System Replacement	3,500,000		62,000,000	65,500,000
SECRETARY OF STATE				
Information Management System	1,500,000			1,500,000

1 (4) The projects for which funds are appropriated to the department of public health and human services
2 in [section 3] and this section and those projects authorized in section 14, Chapter 3, Special Laws of May 2007,
3 are authorized for the transfer of appropriations and authority within the long-range information technology fund
4 type and among department of public health and human services projects. The projects for which funds are
5 appropriated to the department of public health and human services in [section 3] and this section and those
6 projects authorized in section 14, Chapter 3, Special Laws of May 2007, are authorized for the transfer of
7 appropriations and authority within the federal special revenue fund type and among department of public health
8 and human services projects. The department of public health and human services shall report changes to
9 appropriations and authority related to the information technology projects in section 14, Chapter 3, Special Laws
10 of May 2007, and in [section 3] and this section to the interim legislative finance committee upon occurrence.

11 (5) The department of labor and industry is authorized to transfer appropriations between federal and
12 state special revenue funds for purposes of funding the unemployment insurance tax modernization project. To
13 reduce state risk, a scoring preference for bidders of not less than 10% of the total scoring for the request for
14 proposals for the unemployment insurance tax modernization project must be established and may be given only
15 to vendors who have installed in at least one other state a substantially similar project, that meets all federal
16 department of labor reporting requirements. In responding to the request for proposals, each vendor shall identify
17 in what states the vendor's substantially similar project has been installed, how long it has been in production,
18 and whether the project meets all federal department of labor reporting requirements.

19 (6) For the item Medicaid Management Information System Replacement in subsection (3), the
20 department of public health and human services shall provide a work plan with milestones, goals, and measures
21 to guide the medicaid management information system replacement to the Legislative Finance Committee at its
22 June 2009 meeting. At each legislative finance committee meeting, the department shall provide an update on
23 its activities and progress toward achieving elements of the work plan in a format developed in conjunction with
24 the legislative finance committee. To reduce state risk, a vendor who successfully bids on the medicaid
25 management information system replacement project must have experience, proven performance, corporate
26 resources, and corporate qualifications in large-scale data processing system development along with health care
27 claims processing experience in system planning, design, development, implementation, and operation. In
28 responding to the request for proposals, each vendor shall identify whether the vendor's proposed solution is
29 substantially similar to a project that has been installed in another state, how long the project has been in
30 production, and whether the project has been approved by the centers for medicare and medicaid services."

